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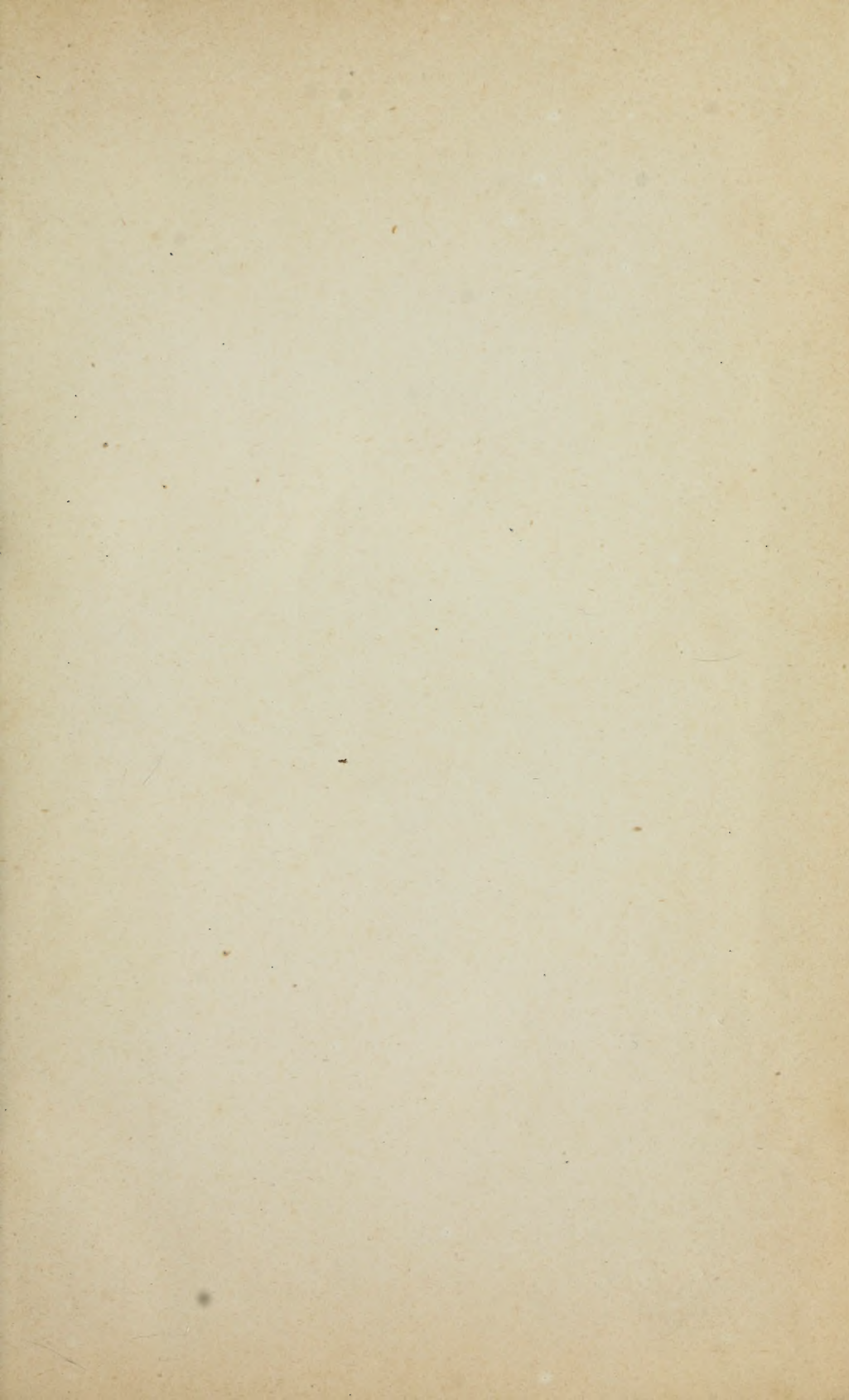
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JANUARY, 1886.

# The Coast Review

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 SAN FRANCISCO:

J. G. EDWARDS, Publisher,

320 SANSOME STREET.

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 Terms, \$3.00 per Year.      -      -      -      -      Single Copies, 25 Cents.

Entered at the San Francisco Post Office as Second Class Matter.



# THE LIVERPOOL AND LONDON AND GLOBE INSURANCE COMPANY.

TOTAL ASSETS, - - \$38,263,482.85

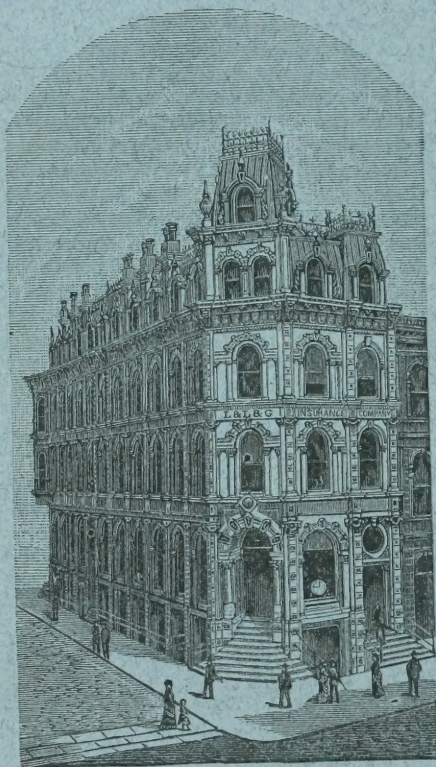
Total Fire Losses paid from Organization to Jan. 1, '85, \$78,313,973

INSTITUTED  
1836.

The Assets of the United States Branch of this great corporation, which are invested in the names of its Trustees in America for the exclusive protection of its policy holders in this country, amount to

\$5,941,475.

The immense assets and the Unlimited Liability of more than Thirteen Hundred Shareholders, make this Company one of the very best for those desiring First-Class Indemnity.



THE COMPANY'S BUILDING.

ENTERED U.S.  
1848.

The amount which has been paid by this Company in satisfaction of FIRE LOSSES in the United States in the course of thirty-seven years is

\$35,431,002

*Its reputation for stability and for honorable dealing is world-wide. The ample security which it offers to its patrons is unequalled, as its total assets are greater than those of any other fire insurance company on the globe.*

PACIFIC DEPARTMENT ESTABLISHED 1852.

CHARLES D. HAVEN, Resident Secretary.

CHIEF OFFICE, 422 CALIFORNIA STREET,  
SAN FRANCISCO, CAL.

# THE CALIFORNIA INS. CO.

*318 California St., San Francisco.*

ORGANIZED FEBRUARY, 1861.

CAPITAL, Paid up in Gold.....	\$600,000.00
ASSETS, January 1st, 1885.....	1,020,175.41

C. T. HOPKINS, Prest.    JOHN BERMINGHAM, Vice-Prest.    L. L. BROMWELL, Sec'y.

## DIRECTORS:

C. T. HOPKINS,  
DANIEL MEYER,  
M. A. DE LAVEAGA,

SAMUEL MERRITT,  
L. L. BROMWELL,  
JOHN BERMINGHAM,

A. W. SCHOLLE,  
S. C. BIGELOW,  
HENRY WADSWORTH.

San Francisco Department, ARTHUR C. DONNELL, City Agent.  
GEO. C. PRATT, Special Agent and Adjuster.

Eastern Department, E. L. IRETON, Manager, Cincinnati, Ohio.

# U N I O N

Fire and Marine Insurance Company,  
OF NEW ZEALAND.

Subscribed Capital.....	\$10,000,000 00
Cash Capital fully paid up .....	\$500,000 00
Assets December 31, 1884.....	916,786 98
Deposited with DANIEL MEYER, HENRY WADSWORTH and JOHN D. YOST, Resident Trustees in San Francisco.....	134,819 70

HOPKINS & BROMWELL, Pacific Coast Managers.

No. 318 CALIFORNIA STREET, SAN FRANCISCO, CAL

ARTHUR C. DONNELL, City Agent.

GEO. C. PRATT, Special Agent and Adjuster.



# IMPERIAL

Fire Insurance Company, of London.

(Instituted 1803.)

# LONDON

Assurance Corporation, of London.

(Established 1720 by Royal Charter.)

# NORTHERN

Assurance Company, of London.

(Established 1836.)

# QUEEN

Insurance Company, of Liverpool.

(Established 1857.)

---

Forming the Largest Fire Insurance Agency, as regards Aggregate Capital and Combined Assets, of any represented on the Pacific Coast.

---

A Joint Policy of the Four Companies issued on the Pacific Coast.

---

ROBERT DICKSON, Manager.

---

PACIFIC BRANCH OFFICE,

S. E. Corner California and Montgomery Streets,

(Safe Deposit Building,)

SAN FRANCISCO.



## 21st Annual Statement of the Condition and Affairs

OF THE

# Home Mutual

Insurance Company of San Francisco, Cal.,

ON THE 1st DAY OF JANUARY, A. D. 1885.

Amount of Capital Stock paid up in Cash.....\$300,000 00

### ASSETS.

Real Estate owned by Company.....\$ 69,525 00  
 Loans on Bond and Mortgage.....279,387 15  
 Cash Market Value of all Stocks and Bonds owned by Company.....123,427 57  
 Amount of Loans secured by pledge of Bonds, Stocks and other marketable securities as Collateral.....108,750 00  
 Cash in Company's Office.....1,043 32  
 Cash in Banks.....178,851 53  
 Interest due and accrued on all Stocks and Loans.....1,105 65  
 Interest due and accrued on Bonds and Mortgages.....3,761 66  
 Premiums in due Course of Collection.....60,651 24  
 Cash in hands of Agents, reporting to the Western Department, Chicago.....30,155 10  
**TOTAL ASSETS.....\$856,658 22**

### LIABILITIES.

Losses Adjusted and Unpaid.....\$14,830 45  
 Losses in process of Adjustment or in Suspense.....7,500 00  
 Losses resisted, including expenses.....5,565 82  
 Gross premiums on Fire Risks running one year or less, \$350,330 05; re-insurance fifty per cent.....175,165 02  
 Gross premiums on Fire Risks running more than one year, \$177,004 22; re-insurance pro rata.....99,992 05  
 Cash Dividends remaining unpaid.....1,679 00  
 Due and accrued for Salaries, rent, etc.....1,119 27  
**TOTAL LIABILITIES.....\$305,851 61**

### INCOME.

Net Cash actually received for Fire Premiums.....\$445,649 16  
 Received for interest and dividends on Bonds, Mortgages, Loans and from all other sources.....35,421 57  
 Rents.....3,546 00  
**TOTAL INCOME.....\$484,616 73**

### EXPENDITURES.

Net amount paid for Fire Losses, including \$4,707 07 losses of previous years.....\$140,242 46  
 Dividends to Stockholders.....35,000 00  
 Paid or allowed for Commission or Brokerage.....115,844 69  
 Paid for Salaries, Fees, and other charges for officers, clerks, etc.....37,698 21  
 Paid for State, National and Local Taxes.....6,880 68  
 All other Payments and Expenditures.....50,767 60  
**TOTAL EXPENDITURES.....\$387,433 6**

**J. F. HOUGHTON.....President**  
**J. L. N. SHEPARD.....Vice-President**  
**CHAS. R. STORY.....Secretary**  
**R. H. MAGILL.....General Agent**

Principal Office, 216 Sansome Street.

PACIFIC BRANCH  
—OF—  
**THE LION**  
FIRE INSURANCE COMPANY.

HEAD OFFICE: No. 5, LOTHBURY, LONDON.

THOMAS B. BELL, GENERAL MANAGER AND SECRETARY.



LONDON, ENGLAND.

Established 1879.

CAPITAL.....	\$4,125,000
CAPITAL PAID UP.....	560,000
TOTAL CASH ASSETS.....	1,142,560

PACIFIC BRANCH: 215 Sansome St., San Francisco, Cal.

Manager.....	GEORGE D. DORNIN.
Assistant Manager.....	WM. SEXTON.

JURISDICTION:

CALIFORNIA, OREGON, WASHINGTON, IDAHO, MONTANA,  
WYOMING, COLORADO, NEW MEXICO, UTAH, NEVADA  
AND THE HAWAIIAN ISLANDS.

Assets in the United States, Dec. 31, 1884.....\$792,501

UNITED STATES TRUSTEES:  
JULIUS CATTIN, JR., N. Y. RODNEY DENNIS, HARTFORD.  
F. P. COOLEY, HARTFORD.  
EASTERN BRANCH, 223 CHAPIN ST., HARTFORD, CONN.  
M. BENNETT, JR., MANAGER.

# SOUTH BRITISH <sup>AND</sup> NATIONAL



FIRE  
AND  
MARINE



## Insurance Companies, of New Zealand.

ISSUING A JOINT POLICY.

**Combined Capital, - - - - \$20,000,000.**

Unlimited Liability of Shareholders.

**W. J. CALLINGHAM & CO.,** Gen'l Agents,

213 and 215 Sansome Street, San Francisco.

**R. H. NAUNTON,** Manager City Department.

## The City of London Fire Insurance Co.

Limited, of London.

**CAPITAL, - - - - \$10,000,000.**

**W. J. CALLINGHAM & CO.,** General Agents

213 & 215 SANSOME ST., SAN FRANCISCO, CAL.

*Bankers—London and San Francisco Bank, Limited.*

**R. H. NAUNTON.....**Manager City Department.

# THE LONDON AND PROVINCIAL

Fire Insurance Company,

LIMITED, OF LONDON.

CAPITAL.....\$5,000,000

---

# HELVETIA SWISS

Fire Insurance Company,

OF ST. GALL.

CAPITAL.....\$2,000,000

---

# SWISS MARINE

Insurance Companies Combined.

CAPITAL.....\$4,000,000

---

HARRY W. SYZ, General Agent,

410 CALIFORNIA STREET,

SAN FRANCISCO.



PACIFIC DEPARTMENT  
**LONDON (INCORPORATED) LANCASHIRE**  
 Fire Insurance Company,  
 OF LIVERPOOL.

---

Capital Subscribed.....	\$7,500,000 00
Capital paid up in Cash.....	926,000 00
Total Assets in United States.....	1,415,424 45
Total Cash Assets .....	2,825,922 00
Surplus (in addition to above named capital) for Policy Holders beyond Liabilities.....	1,468,441 00

---

**MANCHESTER FIRE ASSURANCE COMPANY**  
 OF MANCHESTER.

---

Capital Subscribed.....	\$5,000,000 00
Capital paid up in Cash.....	500,000 00
Total Assets .....	1,321,441 00
Surplus for Policy Holders beyond Liabilities .....	515,614 00

---

**BALFOUR, GUTHRIE & CO.,**  
*GENERAL AGENTS,*  
 GEO. W. SPENCER, Manager.

**316 CALIFORNIA STREET, San Francisco.**

CASH CAPITAL,  
\$4,000,000.00.

INCORPORATED



CASH ASSETS,  
Jan. 1, 1885.  
\$9,013,517.00.  
1819.

*For a period of SIXTY-FIVE YEARS this Company has occupied the position of the LEADING AMERICAN FIRE INSURANCE COMPANY.*

**Largest Cash Capital, Largest Cash Assets and Largest Cash Income of any Fire Insurance Company in America.**

**Losses Paid Since Organization, (66 Years), \$57,500,000.00.**

**GEORGE C. BOARDMAN, General Agent.**

**T. E. POPE, Assistant General Agent.**

**N. W. WINTON, Agent,  
San Francisco.**

**JOHN H. HOPKINS, Agent,  
Oakland.**

*Office, 311 California Street, San Francisco.*

THE  
**HARTFORD**  
Fire Insurance Company.

ORGANIZED 1794.

**ASSETS, - - - - - \$4,491,830**

**PACIFIC DEPARTMENT,**

**313 California Street,**

**San Francisco, Cal.**

**A. P. FLINT, Manager.**

**BELDEN & ORTON, LOCAL AGENTS, SAN FRANCISCO.**

# COAST REVIEW.

A MONTHLY JOURNAL, DEVOTED TO FIRE, MARINE, LIFE  
AND ACCIDENT INSURANCE.

**J. G. EDWARDS, Proprietor,**

320 Sansome St., (Room 14), San Francisco, Cal.

(Take the Elevator.)

VOL. 21.

JANUARY, 1886.

No. 1.

## Digest of Recent Insurance Decisions.

### FIRE.

**ASSIGNMENT.**—*Frue v. Manhattan Fire Insurance Co.*; U. S. C. C. of Colorado, Aug., 1885.—Defendant company issued to plaintiff a policy upon certain property, and thereafter and before loss occurred, the same property was reinsured in the Phoenix Co. After the policy was made, and before the loss, plaintiff assigned and transferred his policy to his brother to secure a loan made by his brother to him [which assignment was assented to by defendant], which was then secured upon the property insured in and by said policy. Before the institution of the suit plaintiff paid off the loan, whereupon the policy was re-transferred to him by his brother. *Held*, That an assignment of a policy merely to secure a loan, is not that which is forbidden in the usual prohibition against assignments, because the interest of the insured is not divested, and where such assignment is made with the company's consent, the re-assignment upon payment of the loan without consent does not work a forfeiture.

**LOSS—MISTAKE IN PROOF OF—WAIVER—EVIDENCE—PLEADING.**—*Zielke v. London*

*Assurance Corp.*; Wis. S. C., Nov., 1885.—The insured presented a list of the articles destroyed, and the value of each article, to the agent of the company, which was examined by him and returned without objection or requiring any further proof; the agent at the same time compelled plaintiff to submit privately to a full examination under oath as to the particulars of the loss, and reduced the same to writing, and expressed himself satisfied therewith, and carried the same away and retained it until the trial. *Held*, Admissible, although such facts were not pleaded as a waiver or estoppel. In such a case, evidence is admissible to show that in reducing the examination of the insured to writing, by mistake or fraud she was represented not to be the owner of the property destroyed, and to correct such statement without pleading the mistake or fraud. A statement by the agent of the company to the husband of the insured, as to what the company would do in regard to the loss, is admissible to show that the company denied any liability and refused to pay the loss, and that the necessity of formal proofs of loss was dispensed with. The presentation of a list of the articles destroyed, with the value of each, to the agent of the company, and the examination and

retention thereof by the agent, followed by an examination under oath of the insured, taken in writing and carried away as satisfactory by the agent, will amount to a waiver of any further proof of loss, and a waiver of any defect therein.

**CHATTEL MORTGAGE—GARNISHMENT—INSURANCE MONEY.**—*Ma-on v. The Phoenix Ins. Co.*; Wis. S. C., Oct. 1885.—*a.* The policy provided that the loss should be payable to the mortgagee of chattels as his interest may appear. *Held*, That he is entitled to the insurance money to the amount of the mortgage debt, as against creditors of the mortgagor garnisheeing the insurance company after a loss, although the mortgage was not properly filed. The only effect of the failure to duly file the mortgage was to render them invalid as against purchasers or mortgagees in good faith, or creditors who had obtained liens upon the insured property by attachment or levy upon execution. The mortgagee's right to the insurance money depends upon the stipulation in the policy and his mortgages. The mortgages, though not filed, were good as between the parties, and the mortgagee had an insurable interest in the property, measured by the amount of his *bona fide* indebtedness, and the right to the insurance money even as against the plaintiff. The legal title to the property insured and of the policy being in the mortgagee, he has an unimpeachable right to the insurance money, and in no sense can this money be said, under the circumstances, to belong to the principal debtor.

#### MARINE.

**BREACH OF CONTRACT—RIGHT OF PARTIES—POLICY DELIVERY.**—*Hubbell v. Pac Mut. Ins. Co.*; N. Y. C. of A., October, 1885.—A preliminary contract of insurance is not, in and of itself and standing alone, the basis of an action, but amounts to an agreement to insure upon the terms of the usual policy afterwards to be issued, for a breach of which agreement the action lies, and the loss may be recovered. (See 50 N. Y., 402; 61 N. Y., 594; and 19 Am. Rep., 305.) This doctrine implies that essential conditions of the contract remain to be performed; and

that the insurance takes effect upon that assumption. These conditions are subsequent in point of time, but on each side precedent to the right of action. The insurer is bound to issue the policy in the usual and ordinary way, and within the usual and reasonable time, and within the same time the insured is bound to pay the premium, or if credit is allowed, to give the customary note. But the insured is not bound to pay if the policy is refused, and the insurer is not bound to deliver the policy if the premium or the stipulated note is withheld. Either party not in default may compel performance by the other; or treating the refusal as an abandonment, may himself join in the abandonment, and so terminate the contract and destroy its existence. The following cases are in point: *Graves v. White*, 87 N. Y., 463; *New England Iron Co., Gilbert El. R. Co.*, 91 N. Y., 168. If, in such a case, the breach on one side is such as to indicate an interest to abandon or repudiate the agreement, the other party may assent and so the contract be dissolved.

**CONTRACT—INSURANCE FOR BENEFIT OF OWNER—NEW TRIAL.**—*Richelieu and Ontario Nav. v. Thames, etc., Ins. Co.*, Mich. S. C., Sept., 1885.—This is an action on a marine policy, upon the steamer *Spartan*, covering the usual risks on any of the great lakes and river St. Lawrence. The vessel was wrecked in Lake Superior, and abandonment was made by plaintiff and accepted by the insurance company as for a total loss. The latter took possession of the wreck, and had the vessel repaired at an expense of over 50 per cent. The defense rested on the alleged ground that plaintiff was not insured, and could not sue on the policy. It was also claimed that no one was insured so as to create any legal obligation. The form of the policy, as issued, was in the beginning that defendant, by that policy of insurance, "on account of Owen Sound Steamship Company, loss, if any, payable to the plaintiff company," did make insurance on the property in question upon the terms specified. Nothing appears in any other part of the policy to show who was supposed to be insured, and no name of any



one appears for any purpose except as quoted. The property insured is, the body, tackle, apparel and other furniture of the iron ship Spartan, valued at fifty thousand dollars, without any further account to be given by the assured to the assurers for the same. The defendant had judgment below, and the plaintiff appealed. *Held*, that in an action by the owners for a total loss, the insurance being effected on account of one party, the loss to be payable to the owner, the latter has such an interest in the policy as will enable him to sue upon it in his own name. Remanded for new trial.

CARRIER—ABANDONMENT—LIEN ON CARGO FOR FREIGHT.—*Hughes v. The Sun Mut. Ins. Co.; N. Y. S. C., Oct., 1895.*—A barge load of coal was left to sink in a storm by the captain, after fastening a buoy to it so that it would be found. He claimed insurance from the B. Insurance Company, which was refused on the ground that he had abandoned the boat, there not being a total loss. The B. Insurance Co. assigned its interest to the defendant company who had insured the cargo, which company raised the boat and cargo and brought it to its destination. The captain (plaintiff) claimed his freight, which the company refused to pay, and took the coal from the boat. *Held*, (1.) That he was entitled to freight, and where payment of freight is a condition of delivery, the cargo becomes bound to the boat from the time it is received on board until, by some default on its part, or some event which puts an end to the voyage, it becomes impossible to fulfill the contract of affreightment; and that the rule holds good, even though the delivery may be made by another agency set in motion by the original carrier, or one standing in his place. (2.) That the question as to whether the plaintiff neglected and declined to raise the cargo, and whether he abandoned the barge and cargo, should have been left to the jury.

The new insurance superintendent of Canada, who succeeds Professor Cherriman, resigned, is William Fitzgerald, a lawyer of Toronto.

## "Cheapness" as a Factor in Life Insurance.

The following elaborate and praiseworthy exposition of assessment insurance is taken from the December number of the *Insurance World*. The article is deserving of a large circulation, and we trust that our enterprising contemporary will find a ready sale for it in pamphlet form:

The advocates of the assessment system of life insurance claim for it, as its chief merit, "cheapness" in the sense of a smaller outlay of money for the insurance furnished. *Our Society Journal*, which is the organ of the Mutual Reserve Fund Association, has been publishing a series of articles, the object of which is to prove that the system practiced by that company in particular is greatly superior to the one which has been in use in this country for nearly half a century, and under which many million of dollars have been distributed to thousands of widows and orphans.

It is assumed that the advantages offered by life insurance are so generally recognized and universally acknowledged that argument in its favor in *some form* is no longer necessary; but there exists a wide difference of opinion amongst the people as to which of the two systems is the most desirable, viz: That by uniform (level) premiums, graded according to age, or that by a system of mortuary assessments. These are commonly termed the "old line" or regular system, and the "co-operative" or assessment system. We will attempt to set before the reader such an explanation of each system as will enable him to form an intelligent judgment as to the merits of each; and while we may not say anything which is not probably known to all intelligent life insurance agents, we must write many things which are elementary for the benefit of such readers of the *World* as are not life insurance experts.

Life insurance simply consists in collecting from the living to pay the representatives of the dead; and that the amounts thus to be collected may be equitably apportioned amongst the living, it is necessary that certain fundamental principles should

be known or agreed upon. If an association of ten persons agree to pay annually a sum of money into a common fund, so that each one living at the end of ten years may draw out \$100, and the heirs of each one dying within the period receive \$100, then there must be paid in \$1,000 in all (without regarding interest), and each one who survives the period must pay for not only his own insurance—so call it—but in addition his *pro rata* share of the the insurance of the deceased members, thus:

1 dying in the first year has paid.....	\$10 09
1   "   "   second   "   .....	20 00
1   "   "   third   "   .....	30 00
1   "   "   fourth   "   .....	40 00
6 survivors will have paid in 10 years.....	900 00
10 persons each receiving \$100.....	\$1,000 00

This, somewhat crudely stated, is the principle which underlies the apportionment of assessments (otherwise called premiums), among the members of a life insurance company, whether regular or assessment; but *how* this shall be *best* done gives rise to differences of opinion, and hence arise differences in method; the assessment society collecting such sums as may be required by its annual experience (a sort of "sufficient unto the day, etc." principle), while the life insurance company calls in the aid of compound interest upon its annual accumulations, or "reserves" as they are called.

This brings us to the consideration of the first or fundamental principle, upon which *all* life insurance must be based, *i. e.*, that the payment by each individual in a given time shall be proportional to the risk that the company sustains of having to pay a claim by his own death in the same time. To estimate the value or cost of this risk we have recourse to the law of probabilities as applied to vital statistics, tabulated so as to show the number living and the number dying (out of a given number), at each age, until all shall have died; such tables are known as mortality tables. That known as the American Experience Table is in most general use, and it is the one to which reference will be had throughout this article; by reference to that table we find that of 100,000 persons living at the age of ten years there are:

At the Age of	Surviving	Of whom will die in a year.
25.....	89,032.....	718
50.....	69,804.....	962
75.....	26,237.....	2,476
85.....	5,485.....	1,292
95.....	3.....	All.

The probability that a certain event may occur, is (in order to be the subject of mathematical examination) represented by a common fraction having for its numerator the number of chances to *happen*, and for its denominator the entire number of chances which *may* or *may not* happen; thus, if we have ten marbles in a bag, seven white and three black, the probability of drawing a white marble is represented by the fraction 7-10 or the decimal .7, and the probability of drawing a black one by the fraction 3-10 or the decimal .3; in like manner we would find the probability of dying within one year at age twenty-five, by dividing 718, the tabular number dying at that age, by 89,032 the tabular number living at the beginning of the year, and this gives us the decimal .8065, or about eight chances in one thousand; so also the probability of dying within a year at age 75 is found to be (by dividing 2,476 by 26,237) 9.4371 or about 9½ chances in 100. This "law of mortality," as it is called, is the fundamental basis of all life insurance calculations, and our selected table of mortality must be assumed to be correct since it is this, and the assumed rate of interest to be realized, which determine the equitable amount to be collected from each person belonging to the association; in the case of an assessment company, into whose calculations the question of compound interest does not enter, the process is quite simple, the whole amount to be paid in any one year being divided by the number of persons who have to pay it, in proportion to the probability of dying at each age.

The method by which annual premiums (*equal*, annual or *level* premiums) in a regular life insurance company is calculated, is by no means difficult though somewhat complex by reason of its involving considerations of compound interest, annuities, present values, etc. We will endeavor briefly to show *one* of the ways in which

this method may be done for the age 25, and to do so will adapt to our purpose an illustration which we find ready made in "Agents' Tables and Explanations" by Mr. D. Parks Fackler, the well-known actuary. (This calculation is based upon the Actuaries' Table of Mortality, which differs slightly from the American Experience.)

The first step is to find what sum of money must be on hand, and invested at four per cent. compound interest to enable the company to pay \$1,000 at the death of each of 89,835 persons living at the age of 25, assuming that the mortality will be in accordance with the table. 698 will die the first year, 703 the second year, 708 the third year, and so on up to and including the 75th year when all will have died; hence \$698,000 must be paid the first year, \$703,000 the second, \$708,000 the third, and so on, but as these claims are not payable until the end of the respective years in which they fall, and the company assumes an earning of four per cent. interest, it will be seen that only the *present values* of these various sums, discounted at four per cent. for one, two, three, etc., years is needed, viz:

The present value of—

\$698,000 discounted for 1 year is...	\$671,153 53
703,000       "       "   2   "   " ..	649,962 87
708,000       "       "   3   "   " ..	629,409 17
And so on up to the 75th year, in       * * *	
which the last is supposed to die.	

The sum of all these present values is.....\$24,867,885 70

This sum divided by 89,835, the original number insured gives \$276.82, which is the sum each person should pay in advance, and is called the Net Single premium.

The second step is to find what *annual* payment through life has a present value equal to a *single* payment of \$276.82. To do this we must have the present value of a *life annuity* of \$1.00 at age 25, to be paid at the *beginning* of each year during life, and which (by reference to tables of annuities) we find to be \$18.80, hence—

Present Value of Annuity.	Annuity.	Net Single Premium.	Net Annual Premium.
\$18.80	: \$1.00	:: \$276.82	: \$14.72

This net premium will be just sufficient, and no more, to provide for the payment of the losses as they mature provided the ex-

perience of the company is in *exact accordance* with the original assumptions, but there is a possibility (1) that the deaths may *exceed* the tabular expectation, or (2) they may not be distributed among the ages according to the tabular expectation, or (3) the assumed rate of interest may not be realized; in either of the foregoing cases the calculations of the company would not be realized and bankruptcy might ensue; hence to provide for these unforeseen contingencies as well as for the expense of conducting the business, the companies add to the net premium (found as above separately for each age) a sum technically called a "loading."

The assessment associations profess to make provision for expenses by a uniform tax of \$2.00 or \$3.00 per \$1,000 of insurance, and they meet such contingency as a fluctuating rate of mortality by a variable assessment, and in the more intelligently managed of them by a percentage (usually 25 per cent.) on the actual mortality called a "Reserve Fund," but which in reality is nothing but a loading and may be greater or less than the loading on the net premium of the regular company, just as the mortality assessment may be greater or less.

In order to more fully contrast the two methods, let us assume an assessment association (such as the Mutual Reserve Fund, for example,) and a regular life insurance company, existing under precisely similar conditions, as to date of organization, number of policyholders, and transacting business in the same districts of country and managed with equal skill and prudence, and it will be evident that the mortality in each organization will average the same, and the "cost of insurance" be identical on each \$1,000 insured. The annexed table has been constructed to show the results in each of a policy of \$1,000 issued at age 28, and kept in force during the probability (not expectation) of life, which is 40 years, at that age.

In explanation of the table it will be seen that column 3 gives the probability of dying at each year expressed decimally, and is obtained in the manner heretofore explained. Column 4 shows the amount the association



ASSESSMENT ASSOCIATION.						LIFE INSURANCE CO.				ANALYSIS OF PREMIUM.						
Age.	Policy Year.	3	4	5	6	7	8	9	10	11		12		3	14	15
										Amount at Risk.	Annual Cost of Insurance.	Annual Premium.	For Insurance.			
28	1	.8264	\$1,000	\$8 26	\$2 75	\$11 01	\$993 05	\$8 21	\$21 48	\$7 86	\$6 97	\$6 65	\$ 65	\$6 65	\$ 65	\$6 95
29	2	.8345	1,000	8 35	2 79	11 13	985 80	8 23	21 48	7 88	6 97	6 63	7 88	6 63	7 88	14 20
30	3	.8427	1,000	8 43	2 81	11 24	978 25	8 26	21 48	7 90	6 97	6 62	1 29	6 62	1 29	21 75
31	4	.8510	1,000	8 51	2 84	11 35	970 37	8 28	21 48	7 92	6 97	6 61	1 63	6 61	1 63	29 63
32	5	.8597	1,000	8 58	2 87	11 43	962 15	8 31	21 48	7 95	6 97	6 59	1 99	6 59	1 99	37 85
33	6	.8687	1,000	8 72	2 91	11 53	952 61	8 34	21 48	7 98	6 97	6 56	2 35	6 56	2 35	45 39
34	7	.8718	1,000	8 82	2 94	11 63	944 70	8 37	21 48	8 00	6 97	6 53	2 74	6 53	2 74	53 39
35	8	.8831	1,000	8 95	2 98	11 77	935 42	8 42	21 48	8 05	6 97	6 51	3 14	6 51	3 14	61 27
36	9	.8966	1,000	9 09	3 03	12 03	925 77	8 46	21 48	8 13	6 97	6 49	3 99	6 49	3 99	69 27
37	10	.9088	1,000	9 23	3 08	12 31	915 73	8 46	21 48	8 21	6 97	6 47	3 99	6 47	3 99	77 43
38	11	.9234	1,000	9 41	3 14	12 55	895 34	8 57	21 48	8 21	6 97	6 42	4 91	6 42	4 91	84 27
39	12	.9394	1,000	9 59	3 19	13 05	883 18	8 57	21 48	8 21	6 97	6 42	4 91	6 42	4 91	91 27
40	13	.9586	1,000	9 79	3 26	13 35	871 49	8 57	21 48	8 21	6 97	6 42	4 91	6 42	4 91	98 27
41	14	1.0008	1,000	10 01	3 34	13 67	859 36	8 57	21 48	8 21	6 97	6 42	4 91	6 42	4 91	105 55
42	15	1.0252	1,000	10 25	3 42	14 03	846 77	8 81	21 48	8 35	6 97	6 24	5 91	6 24	5 91	116 82
43	16	1.0517	1,000	10 52	3 51	14 44	833 75	8 91	21 48	8 43	6 97	6 08	6 43	6 08	6 43	128 51
44	17	1.0829	1,000	11 16	3 61	14 88	820 27	9 16	21 48	8 64	6 97	5 99	6 98	5 99	6 98	140 64
45	18	1.1163	1,000	11 56	3 72	15 41	806 34	9 16	21 48	8 75	6 97	5 87	7 55	5 87	7 55	152 25
46	19	1.1562	1,000	12 00	3 85	16 08	791 97	9 32	21 48	8 92	6 97	5 75	8 13	5 75	8 13	164 35
47	20	1.2000	1,000	12 00	4 00	16 60	771 97	9 51	21 48	9 10	6 97	5 59	8 74	5 59	8 74	179 73
48	21	1.2509	1,000	12 51	4 17	16 68	777 17	9 51	21 48	9 30	6 97	5 41	9 37	5 41	9 37	192 03
49	22	1.3106	1,000	13 11	4 37	17 43	761 97	9 99	21 48	9 56	6 97	5 41	10 01	5 41	10 01	204 03
50	23	1.3751	1,000	13 78	4 59	18 37	746 39	9 99	21 48	9 99	6 97	4 95	10 68	4 95	10 68	216 61
51	24	1.4541	1,000	14 54	4 84	19 38	730 44	10 23	21 48	10 23	6 97	4 67	11 36	4 67	11 36	229 56
52	25	1.5389	1,000	15 39	5 13	20 52	714 14	10 99	21 48	10 99	6 97	4 39	12 06	4 39	12 06	242 56
53	26	1.6333	1,000	16 33	5 44	22 02	697 50	11 39	21 48	11 39	6 97	3 99	12 68	3 99	12 68	255 56
54	27	1.7396	1,000	17 33	5 80	23 20	680 57	11 84	21 48	11 84	6 97	3 61	13 52	3 61	13 52	268 56
55	28	1.8571	1,000	18 30	6 19	24 76	663 36	12 33	21 48	12 33	6 97	3 18	14 26	3 18	14 26	281 56
56	29	1.9845	1,000	19 59	6 63	26 52	646 30	12 33	21 48	12 83	6 97	2 71	15 03	2 71	15 03	294 56
57	30	2.1125	1,000	20 93	7 11	28 45	629 30	13 41	21 48	12 83	6 97	2 23	15 79	2 23	15 79	307 56
58	31	2.2435	1,000	22 94	7 64	30 53	610 31	14 00	21 48	13 40	6 97	1 68	16 39	1 68	16 39	320 56
59	32	2.4720	1,000	24 72	8 24	32 96	592 25	14 64	21 48	14 01	6 97	1 11	16 93	1 11	16 93	333 56
60	33	2.6693	1,000	26 79	8 89	35 58	574 07	15 33	21 48	14 51	6 97	.....	17 43	.....	17 43	346 56
61	34	2.8880	1,000	28 88	9 62	38 50	555 79	16 05	21 48	15 51	6 97	.....	19 00	.....	19 00	359 56
62	35	3.1292	1,000	31 29	10 43	42 05	537 46	16 05	21 48	16 51	6 97	.....	20 64	.....	20 64	372 56
63	36	3.3943	1,000	34 54	11 31	45 15	519 11	16 05	21 48	17 51	6 97	.....	22 29	.....	22 29	385 56
64	37	3.6873	1,000	38 34	12 29	48 25	500 77	18 46	21 48	18 46	6 97	.....	23 93	.....	23 93	398 56
65	38	4.0129	1,000	40 13	13 37	51 50	482 51	19 37	21 48	19 37	6 97	.....	25 57	.....	25 57	411 56
66	39	4.3777	1,000	43 71	14 57	55 23	464 36	20 09	21 48	20 09	6 97	.....	27 11	.....	27 11	424 56
67	40	4.7647	1,000	47 65	15 88	59 33	546 37	21 28	21 48	21 28	6 97	.....	28 76	.....	28 76	437 56
																\$432 63
																\$103.58
																\$278 80
																\$416 82
																\$859 20
																\$59 40
																\$230 59
																\$691 78

would have to pay (collect) at the death of the person insured. Column 5 is found by multiplying the "amount at risk" (col. 4) by the probability of dying within the year (col. 3). This method of ascertaining the cost of insuring a man's life for one year may be made more clear, perhaps, by a simple illustration, using our bag of marbles as before; if the chance (probability) of drawing a white marble is 7-10, the value (cost) of that chance in a wager of \$100 would be \$70; i. e., the "probability" multiplied by the "amount."

It may be well to say here also that the words "cost of insurance" mean one thing to the life insurance company, and a totally different thing to the man who pays the premium; to the former it means the proper share of the losses which should be paid by the person insured (his *pro rata* assessment), while to the latter it means the gross sum paid. Column 6 is the 25 per cent. reserve fund of the Mutual Reserve Fund (as well as of several others conducted on the same plan), and column 7 is the gross assessment which must be made so as to provide for the reserve fund in column 6, and still leave column 5 *net* to provide for the "cost of insurance." (No account has been taken of expenses, as that will be spoken of further on.)

Column 8 is the several amounts which the life insurance company has at risk, and is each year less than \$1,000 by the corresponding amount in column 15. Column 9 corresponds with column 5, and is obtained in the same manner, viz., by multiplying the amount at risk by the probability of dying. Column 10 is the level premium at age 28. Columns 11, 12 and 13 show how the annual premium *might* be separated down to the 32d year, when the cost of insurance *exceeds* the net premium paid.

Column 14 shows the amounts which are accumulated by compound interest on the net premium (\$14.51) and the reserve (col. 15) at the end of the preceding year; one portion of it goes to pay the cost of insurance and another portion is added to the reserve; thus of the first year's interest ( $4\frac{1}{2}$  per cent. on \$14.51), 35 cents is added to \$7.86 to make up \$8.21 cost of insurance, and 30 cents is added to

\$6.65 to make \$6.95 reserve, and so on. So that, in the period of forty years, of the \$432.63 interest which has accumulated, \$42.58 of it has been added to \$416.82 to make up the \$459.40 cost of insurance, and \$390.05 of it has been added to \$163.58 to make up the \$553.63 reserve, which now stands to the credit of that policy. The advocates of the assessment companies, in the articles published in their papers, and by their circulars, leaflets, etc., endeavor to convey the impression that the largest portion of the premiums paid are used to create the reserve. Doubtless some of these writers do not know any better, but some of them do know better, and a printed or verbal statement which leaves a wrong impression upon the mind of the person addressed, is certainly open to criticism. It will be seen in the table that of the reserve (\$553.63), only \$163.58, or less than 30 per cent. comes from the premium, and that 70 per cent. arises from compound interest, and further, that nothing has been taken from the premium to add to the reserve for the last eight years of the policy.

As previously stated, the sums in columns 11, 12 and 14 may vary, (1) the mortality may be—and generally is—*less* than expected. (2) Expenses may—and do—fall *below* the loading; and (3) the rate of interest may—and does—*exceed*  $4\frac{1}{2}$  per cent., the rate assumed. In each of the above cases there would be a *surplus*, or in other words, the company would find that more money had been collected and realized than was necessary, and the surplus would in that case be returned to the policy-holder—and such repayment is called a "dividend." On the other hand (1) the rate of interest may—but is not likely to—fall *below*  $4\frac{1}{2}$  per cent., in which event the deficiency would have to be made good out of the loading; or (2) the rate of mortality may be in *excess* of the tabular expectation, either by a heavier death rate, or by a very considerable variation from the table at particular ages, in which case also the deficiency must be made good from the loading, or from previously accumulated surplus, which is the same thing.

The assessment associations can equalize

the fluctuations in mortality in like manner from its reserve fund (which is a species of loading), but as such inroads into that fund must be replaced at the next or a subsequent assessment, nothing is gained by the member except the temporary relief from burdensome assessments.

Referring now to the small insurance company (assessment plan) of ten persons with which we opened this article, the assessment advocates tell us that the \$1,000, which must be paid to somebody, will be contributed to by perhaps one hundred persons instead of ten; and that while it is true that if one thousand persons are insured for \$1,000 each, that \$1,000,000 must be paid in death claims, there will be at least ten thousand persons who will contribute to that fund; that the death claims paid are only about one-tenth of the number of persons who insure, and that "lapses" and "new blood" will keep down the cost of insurance shown by column 5. The argument, or assertion regarding "lapses" being of benefit to the association is pure fallacy, but as it "don't count," we may pass it by; the question of "new blood," i. e. not only the accession of new and healthy members, but a properly selected *increasing* membership, is one which has a very important bearing on the "cost of insurance," for the very simple reason that such influx of members fresh from the hands of the medical examiner raises or increases the average vitality of the whole membership, and not because, as some assert, the average age of the membership is thereby kept down. "Average age" has about the same influence over the mortality of a life insurance company that the average age of the moon has upon the growth of potatoes. But whether lapses may or may not be advantageous to a company; whatever advantage may accrue to it from a constantly increasing membership; or from rapidity of growth, having a tendency to decrease the amounts in column 5 will operate similarly and in the same degree upon the amounts in column 9, both being derived in the same manner and based upon the same principle; and they are exactly proportional, as will be seen by the following statements:

Year.	Amt. at Risk.	Cost.	Amt. at Risk.	Cost.
10 ....	\$1,000 :	\$ 9 23 ::	\$915 73 :	\$ 8 46
15 ....	1,000 :	10 25 ::	859 36 :	8 81
26 ....	1,000 :	15 39 ::	714 14 :	10 99
35 ....	1,000 :	28 88 ::	555 79 :	16 05
40 ....	1,000 :	47 65 ::	446 37 :	21 28

If the actual mortality is 75 per cent. of the expected mortality, column 5 will of course be diminished by 25 per cent. of itself, but so also will column 9, and so on; the relative sums cannot differ, and as the smaller footing in column 9 is the direct result of the accumulating of reserve, it will be seen that one of the uses of a reserve is to decrease the aggregate cost of insurance.

We have not heretofore spoken of the expense in either company, partly because it is a matter of small consequence to the policy-holder in either, in all probability, as in the regular life insurance company he would have returned to him in dividends in the forty years quite \$278.80 (amount charged for expenses and contingencies) from surplus interest and saving on expense account alone, leaving whatever may be gained on mortality account (column 9) to offset any corresponding gain by the assessment association (column 5). In the assessment association we will assume that the advantages he derives from the interest on reserve fund and from the "bonds" issued every fifth year will about equal the amount he will be taxed for expenses.

In the earlier literature of the Mutual Reserve Fund, it was stated (omitted now, we believe) that it was the opinion of prominent actuaries (names not given) that by reason of this bond feature its policies would become self-sustaining in fifteen years. In the foregoing table there would be eight bonds issued, amounting respectively to \$14.01, \$14.91, \$16.35, \$18.69, \$23.10, \$31.17, \$44.82, and \$67.42; as the principal of the bonds is not available until ten years after issue (or fifteen years from the first year of a quinquennial period), it will be seen that the last three bonds are not available for any purpose during the continuance of the above policy, hence only the first five, amounting to \$87.09, can be used to *sustain* the policy. As the annual (direct) tax for expenses is \$2 per \$1,000, or \$80 in forty years, with the amount of other (indirect)



expenses unknown, it is probable that the bonds would not any more than equal his expense charge, although, in the account below, we have given the association credit as though the entire reserve fund had been exhausted to pay for the insurance.

The account as now made out, if we have fairly stated the case between the two companies, would be as follows, viz:

A. B., MEMBER OF THE MUTUAL RESERVE FUND.	
Total Mortuary Assessments.....	\$ 922 36
Total Expenses (offset by interest, etc.)....	
Total.....	\$ 922 36
Bonds used to pay Assessments.....	230 59
Total cost.....	\$ 691 78
Average cost per \$1,000.....	17 27
B. C., INSURED IN REGULAR LIFE INSURANCE CO.	
Total Premiums paid.....	\$ 859 20
Less Dividends returned.....	278 80
Total cost.....	\$ 580 40
Average cost per \$1,000.....	14 51

There also stands to the credit of B. C., on the books of the company, \$553.63 reserve, which he could surrender for at least \$300 in cash or for a paid-up policy of say \$800 in any one of the principal "old line" companies. We have used the name of this particular association throughout this illustration, because it is rather the most pretentious of its class, and to expose some of the fallacies that have been paraded in the columns of its organ, *Our Society Journal*. In the articles referred to, the aim of the writer seems to be to leave the impression on the minds of his readers that the "reserve" portion of the annual premium is a fixed and unalterable amount annually set apart to accumulate at interest during the lifetime of the policy-holder. An inspection of column 13 in the above table (and we do not think that *Our Society Journal* will dispute its correctness), will show the inaccuracy of such a statement. In the November number of that journal the statement is made that the "reserve set aside the first year of a whole life insurance policy is usually about forty (40) per cent. of the entire premium, and *with a like deposit set aside in subsequent years, etc.* (the italics are ours). The entire premiums paid on the above policy amounted to \$859.20, and the amount carried to the credit of the reserve

\$163.58, or a trifle less than 20 per cent.; and if \$6.65, the amount placed in reserve during the first year had been "annually set aside" at 4½ per cent. interest, it would have amounted to \$743.78 in forty years, whereas the reserve, as shown above, is \$553.63, an error on the part of the *Journal* of about \$200. The writer in the *Journal* knows, or should know, that the reserves upon particular policies are not held separately, but that the entire accumulations belong to the whole body of policy-holders (in a mutual company), in which each has an undivided interest, which is paid to his heirs at his death, or to himself upon surrender of his policy, and the effort to mislead his readers in this particular is not honest.

We have endeavored, throughout this article, to meet the questions at issue between the two systems in a spirit of entire fairness—"naught to extenuate nor aught set down in malice."

We have our individual preference, but have not consciously allowed ourselves to be influenced thereby, recognizing as we do that a large number of very intelligent people in this country firmly believe in the stability and cheapness of the assessment system.

### Special Report of the Massachusetts Commissioner.

#### ASSESSMENT INSURANCE DEAR AT ANY PRICE.

On the first of last month Commissioner Tarbox issued a special report on assessment life, and casualty insurance in Massachusetts, from which we quote as follows:

The value of life insurance as a temporary protection or permanent family provision has, of late years, commanded the attention of people in all conditions of life, and created a popular demand for such insurance at the cheapest possible cost. This want has naturally induced the invention of various plans to supply it, and several schemes are rival suitors for confidence and favor.

Insurance that does not insure is

DEAR AT ANY PRICE.

Insurance that costs beyond the needs of safety is an unjust burden. That system



is the best which combines safety with the minimum of cost. The old system is, humanly speaking, safe; if it is too expensive, and cannot reform the fault some other system that can provide safety with less cost will supersede it; but, to rival the old, the new must prove itself safe as well as cheaper.

The legislation of last year gave legitimacy to life and casualty insurance on the assessment plan, and reduced it to some subjection and order. Previously, it was carried on irresponsibly, without law and reckless of law, and without method. Engaged in it were some honorable and intelligent persons, and others not intelligent nor honorable. The facility for forming associations and the absence of any law binding the managers to any responsibility were availed of by unprincipled men to set on foot, for their personal profit, enterprises that were swindles upon the simple public. Adventurers from other States came here for that purpose.

#### THE ORIGINAL IDEA

Of assessment life insurance was of the simplest. It was mutual assurance, benefits payable on the death of a member from moneys thereafter collected from the survivors—no accumulated fund or other financial provision to secure the payment of the promised benefits—the insured member to pay, besides expense dues, only the actual cost of his insurance, as determined by actual death losses, and not payable until after the death. This distinguished it radically from the elder system, under which the insured pays in advance a fixed sum computed to be his share of a fund, sufficient to pay death claims as they shall accrue, the expense cost of the business, and to guarantee the ability of the company to meet its policy obligations, near and remote, involving the accumulation of a large cash reserve beyond the needs of immediate disbursement. Whether a life company is so established as to make reasonably sure the performance of its engagements with its policy holders, is answered by an examination of its assets and investments, its selection of lives, its premium rates, and its liabilities. This, upon the assumption of

integrity and sound judgment in the future conduct of its affairs, and subject to the uncertainties which attend all human institutions. No such answer can be predicated of a company on the assessment plan; at least

#### NOT UNTIL IT HAS A RESERVE

Sufficient under its system to supply any deficiency that may eventually exist in its assessment resources. Confidence in such a company rests solely upon the probability that it will be able to collect future assessments of an amount equal to its promised benefits, and this ability depends on whether it shall maintain its membership by the retention of old members and the acquisition of new. Without other pledges of stability a company so constituted cannot safely be relied on for life insurance, however it may serve as temporary insurance. It is the difference between a tenancy at will, which may terminate at any time, and an absolute estate for life.

Intelligent promoters of the assessment plan now admit the radical defect of the original scheme as a permanent system, and seek expedients to remedy it. They concede, what heretofore they denied, that a reserve is an indispensable factor in any safe scheme of life insurance; but they insist that the conservative function of such a factor can be performed by a reserve much less in amount than the old system demands. The Emergency fund provided by the statute, though not a reserve in the technical sense of the term, it is claimed, may be made to perform that function.

#### THE EMERGENCY FUND.

As its name imports, the Emergency fund is intended for occasions out of the common. Such an occasion to justify its use will arise only when the death losses shall be in excess of the anticipation of the mortality tables. The present Commissioner will not approve a requisition to withdraw any portion of the fund, except such emergency be shown to exist. For the reason, that a company unable to promptly pay its ordinary death losses from current assessments, should lose its privilege to ask the confidence of the public. As a company, if well established, is not likely to experience

an excessive death loss such as would so justify the use of the Emergency fund, it is probable that in most cases the fund will be reserved for final liquidation under the statute.

While the law cannot by any provision make sure the future of an insurance company on the simple assessment plan, it can and ought to provide effective conditions to enable and compel the company to perform its obligations which fall due while it lives. How important that matter is, is painfully enforced by the fact that two of these companies have become insolvent within the year, with upwards of

#### EIGHTY UNPAID CLAIMS

For death benefits, aggregating a quarter of a million dollars, involving sore disappointment and distress in as many dependant families and homes. The Emergency fund, and the provision by which such a company may be enjoined from further prosecution of its business, whenever it fails to pay due claims, are means to that end. A further reasonable provision of law would seem to be that these companies, especially such as are organized and conducted as close corporations for the profit of the corporators, should have a guaranty capital, for the protection of policy holders, as mutual life companies are required to have until they accumulate a surplus sufficient to protect their liabilities.

Upon the subject of a proper gradation of assessment rates by companies on this plan, I remarked in a communication to the last Legislature:—

"That the assessments for the death benefit, or insurance paying fund, shall be proportioned to the relative expectancy of life of the several members in accordance with mortality experience, is an essential condition, properly to be enforced by law."

The Legislature did not incorporate such a provision in the law, and the matter is left to the discretion of the companies. How wisely they shall employ that discretion will importantly affect their success.

#### THE "STEP-RATE,"

Whereby the insured pays for each year of his insurance the assessment rate proportioned to his age in that year, is the equit-

able and logical one. Furthermore, it is my conviction that no life insurance company, except on the plan of an adequate reserve, can permanently prosper on any other assessment basis.

One of the companies proposed a contract by which the insured was to pay a certain number of assessments for a fixed sum annually. This, I am advised by the attorney-general, a company on the assessment plan may not do. The mortuary assessments, beyond a single one, must be to pay actual and not anticipated losses. But it is competent to provide in the contract for stated periodical assessments to pay claims due, and that mode has reasons to commend it.

Aside from an honest and capable business management, and just assessment rates, important

#### CONDITIONS OF SUCCESS

With an assessment company are a moderate death rate, which implies a judicious selection of lives, the foundation of all successful general life insurance; a substantial maintenance of membership, whereon depends its financial ability; prompt payment of claims, which is demanded by good faith to its members. When such a company fails in these particulars, it forfeits its title to confidence. To enforce these conditions is the object of recent legislation. The law in effect proposes that no company unable to comply with these conditions, shall continue to do business with the public.

The contract must be absolute to pay a specific sum upon the happening of the contingency it insures. The law does not, as it could not well do, compel an absolute provision for the payment nor make individuals of the corporation personally liable; that were incompatible with the nature of the transaction. But when the corporation cannot perform its contracts it must stop business; that inability exists when its membership so declines that the assessments, together with any available reserve, prove insufficient to pay in full the benefits contracted for; and the law judges that when the corporation falls into such a condition, public considerations forbid that it should longer be allowed to disappoint the public with promises it cannot fulfill.

Much prejudice has been done assessment insurance by false representations put forth as to the cost of insurance under that plan. The cost of a year or two has been made to appear as a fair estimate of future cost. That expectation is

#### DOOMED TO DEFEAT;

And the failure to realize it naturally creates disappointment and distrust on the part of people misled by it. The law of mortality is as inexorable with assessment associations as with companies on any other plan; and that the death rate and consequent cost of insurance in these associations will increase with their age up to a certain limit is inevitable. None of the companies now in business have reached that limit yet, nor will they for years to come, however fortunate. Meanwhile their assessments will be larger in amount or number. Rather than vainly attempt to explain their more frequent losses, which is due to natural causes and not to unusual mortality or other exceptional circumstance, they will more wisely instruct their patrons in the simple knowledge that life insurance cannot be furnished for less than cost, and that the cost in large part is fixed by natural laws, which no human wit can circumvent. If they can hold their annual death rate within the proportion of fifteen to the thousand lives, they will do as well as they can reasonably anticipate, and as well as life companies have done or will do.

#### WHAT CONTRACTS THEY MAY MAKE.

With the sole limitation that the insurance contract must be for a sum certain, payable at a date certain, and the payment conditioned upon the collection of an assessment upon holders of similar contracts, the statute is silent as to the form of the policy or certificate. In other respects it would seem the companies may make any contract not repugnant to general principles of law. Several of the companies issue certificates in form and conditions simple, just and easily intelligible to the common intelligence; while the proposed contracts of others are involved to a degree liable to mislead the public, and with conditions of doubtful prudence for the certificate holder. The reasons which led to the standard policy in

fire insurance, as forcibly favor similar legislation in life insurance.

#### THE FRIENDLY SOCIETIES OF ENGLAND,

Which are insurance companies, but not on the assessment plan, cannot do business until they obtain the certified approval of a designated public official to their rules, regulations, tabular rates and contracts. To that complexion it may some time come with us. But, as yet, the State does not attempt by law to protect the citizen from his own improvidence. He must rely on his own prudence. The Commissioner can only advise any person proposing to insure, that he intelligently inform himself of the contract he is invited to make before he makes it, or he may suffer the burden of a bad bargain as penalty for his ill-used liberty, from which the law will afford no relief. The price of liberty to the individual is responsibility for the consequences of its use.

#### A New Zealand Echo.

At a recent meeting of the Insurance Institute, held at Otago, New Zealand, Mr. F. Mallard read an interesting paper on "Chat-ty Thoughts about Marine Insurance," which we find printed in its entirety in the *Insurance and Finance Journal*. From it we cull the following excerpts:

"We all know the history of marine insurance dates back almost to the introduction of commerce itself, when little vessels skirted the Mediterranean coast, and were afraid to lose sight of land. One often thinks if these cautious navigators were to rise from their graves and journey in some of our modern steamships with their triple expansion and surface condensing steam appliances, what would they say? How vast has been the changes in all matters marine since these early times; one cannot but look back with feelings of pride to the hardy mariners of those early days who sailed their tiny ships with their valuable cargoes without the aid of chart or compass. Underwriting has been aptly termed the handmaid of commerce; indeed, they are twin sisters, and both should run together in close partnership and good faith; yet, I regret to say, we often find insured and insurers twisting



and twining, by all the subtle acts of reasoning and meaning, policies and warranties each to suit their own particular ends. True, every settlement should, and I have no doubt is, based on strict commercial usage; yet I think both parties to the contract should remember that during the currency of the policy they are joint venturers in the undertaking. Lloyd's policy, as read between its four corners, had a well-defined meaning for each word and sentence; and some of England's best judges have left on record ample and plain judgments to guide us in the interpretation of this old time-honored document; but as in the physical so in the commercial world, nothing can overthrow the law of progress; hence, for modern and particularly Australian purposes, the old Lloyd's policy required amending to suit the times and changes of this high-pressure life of ours; and we now find each company with its own form of policy both for hull and goods." \* \* \*

"We say good faith should be the basis of all underwriting, whether fire or marine, yet how often do we find, I regret to say, the very opposite to be the case, and some unworthy ship, plastered from stem to stern with policies on hull, cargo and freight, and when the proper time arrives her old timbers are found not able to stand the strain even of a moderate gale; abandonment follows, or she is run on some convenient beach or outlying reef, there to rot and bleach in fair weather and foul. Is this the fault of the underwriters? Clearly not; seaworthiness underlays the whole principle of marine insurance, both hull and cargo. How many instances have we heard, such as I have quoted? Direct fraud is, again, sometimes practised upon underwriters. The above may perhaps be cited as the "fraud courtesy." I remember reading of a case which occurred in India some years ago, where an old ship was bought and dummy cases filled with stones placed on board for cargo, everything insured up to the hilt, and the vessel cleared out for her port of destination, when, by some mysterious means, she sprang a leak going down the Bay of Bengal, and foundered, the crew fortunately escaping in the

boats—at least so said the newspaper narrative. But mark what followed a few months later on. Suspicion was aroused—this led to facts, facts to inquiries, with result of captain, owner, carpenter, and, I think, some others, being arrested and charged with felony in wilfully scuttling the ship. All, I am pleased to say, were found guilty and sentenced to long terms of imprisonment." \* \* \*

"Nothing, I think, now-a-days, changes more than the commercial value of a wooden ship—and why? Simply because this is an age of wood and iron. A wooden vessel puts one in mind of a large hotel in a deserted digging township; after the diggers leave the building is of little use. When large steamers can be built as they now are so cheaply, and with such carrying capacity on a small consumption of coals, the days of sailors of the old-age, and modern school, too, is past. Steamers themselves, with their modern high-pressure engines and steam-saving appliances, are likewise improving every year; hence this year the value may be some thousands less than the year before. What a temptation for an owner to get well covered, and his servant, the master, to find an unknown rock not laid down on his chart whereon he can leave the non-paying incubus burning say ninety tons of coals daily, and get a new steamer built with underwriters' money, which will burn only perhaps twenty-five tons daily, and make a profit by the transaction." \* \* \*

The South Sea Island trade is extending, and a dangerous one it is, for some of the groups are anything but well laid down in the charts, and the currents treacherous; hurricanes, too, during the months of January, February, and March, playsad havoc; hence the underwriter should be on the alert. The Torres Straits route has always been looked upon with dread, and extra premiums charged when taking it. In years gone by two or three ships would generally sail together when going to India by this route, so that if one was wrecked the crew would be taken off by the others. Now, however, little danger is experienced, the surveys are so accurate, and all hidden dan-



gers well marked and buoyed. Our China tea steamers generally take this route, and there is a good pilot service through the inner passage to Thursday island. The S.E. monsoon is from April or March till September. This is the best time for sailing vessels to pass through; they seldom make the passage from the westward. Some, however, have been known to do so, of course during the westerly monsoon." \* \*

"My thoughts when commencing this paper went far back to the early mariners of the Mediterranean Sea, and now they wander to a book lying on our Association table, 'The Early Annals of Lloyds.' Could these worthy men have ever thought, when keeping their first records, and classifying their first hulls, that in a hundred years' time ships without sails would cross the Atlantic under seven days, and go round the globe under eighty, and that underwriting would become one of the arts, as in my opinion it certainly is? In those days running down and collisions were unknown; steamers (for there were none) didn't cross the ocean at twenty miles an hour. And here again comes in the risk of the modern underwriter, when these huge ships are made to run against time, with the growing tendency to collision and the ever-increasing competition, does he or his company receive adequate premiums for the risk run?"

### The Laundry Ordinance Upheld.

The famous laundry ordinance of San Francisco, supposed to have been directed against the Chinese, has been sustained by the Supreme Court in a decision filed December 28, *in re Yick Wo on habeas corpus*. Whether the anti-Chinese sentiment was responsible for the ordinance or not, it is certain that its enforcement will be beneficial to underwriting interests and conducive to the sanitary welfare of the city. The ordinance forbids the establishment and maintenance of a public laundry or wash-house within a district embracing the greater part of the city, without compliance with the following conditions: A certificate must be obtained from the Health Officer of the city, who must see that all proper ar-

rangements have been made for carrying on the business without injury to the sanitary condition of the neighborhood. The Board of Fire Wardens must certify that the stoves, washing and drying apparatus, and the appliances for heating smoothing-irons are in good condition, and that their use is not dangerous to the surrounding property from fire.

Section 4 provides that there shall be no washing or ironing of clothes in these laundries between the hours of 10 p. m. and 6 a. m., nor upon Sunday. This section diminishes the chances of a serious fire breaking out at a time when an alarm may not be given at the earliest moment. Section 5 may interest our Eastern and foreign readers. It prohibits laundrymen from permitting persons suffering from any infectious or contagious disease to lodge, sleep or remain in a laundry. The importance of this section is understood on this coast.

Section 1 of an ordinance passed during Kalloch's mayoralty forbade the establishment or maintenance of laundries within the city limits, except in brick or stone buildings, without the consent of the Board of Supervisors. The Supreme Court decides that this ordinance was not repealed by the subsequent enactment. The section quoted is therefore still in force.

### Unsuccessful Suit Against Bondsmen.

The reader will remember that J. H. Thompson was a defaulter to the Guardian and other offices in this city several years ago. The Guardian Assurance Company brought suit against Thompson and his bondsmen, and the case was finally disposed of by the Supreme Court of this State on December 21, in favor of the defendants.

For some time previous to the execution of the bond, Thompson defrauded the plaintiff of \$2,000 in premiums collected by him while acting as city agent. This defalcation was known to the general agent, but nothing was said of it to the sureties who subsequently went on Thompson's bond. The court ruled that the concealment of this knowledge released the sureties.

The principle of law applicable to the foregoing facts is fully stated by the follow-

ing quotation from Brandt on Suretyship and Guaranty, Section 367:

"If the party who takes a bond for the conduct of the principal in an employment knows at the time that the principal is then a defaulter in said employment, and conceals the fact from the surety, such concealment is a fraud upon the surety, and discharges him. \* \* \* An agent for the sale of coal on commission, who by agreement was bound to turn over his receipts to his employers, within a specified time, was largely in arrear, and was required by his employers to find security, and a surety became bond for him to the extent of £1,000. The agreement of suretyship recited the terms of dealing between the employer and the agent, but the fact of the indebtedness was concealed from the surety. *Held*, The surety was discharged, on the ground that under the circumstances the recitals in the agreement amounted to an active misrepresentation."

"A person taking a bond for the future good conduct of an agent already in his employment, must communicate to a surety his knowledge of the past criminal misconduct of such agent in the course of such past employment, in order to make such bond binding.

"The mere non-communication of such knowledge, irrespective of motive or design, is a fraud in law, which will invalidate the obligation." (Sooy ads. *The State*, 39 N. J. L. Rep., 135.)

"We think there can be no doubt, either upon principle or authority, that where an agent has acted dishonestly in his employment, the principal, with knowledge of the fact, cannot accept a guaranty for his future honesty from one who is ignorant of the agent's dishonesty, and to whom the agent is held out by the principal as a person worthy of confidence. The failure to communicate such knowledge, under such circumstance, would be a fraud upon the guarantor.

"The bad faith in withholding from the guarantor such information so material to the risk assumed, is manifested not only by the fact that the dishonest character of the agent was peculiarly within the knowledge

of the principal; but the holding of him out as a person entitled to confidence by continuing him in the service, was equivalent to a declaration that the principal had no knowledge of the dishonesty of the agent." (*Dinsmore v. Tidball*, 34 Ohio St., 418.)

Many other cases, to the same effect, might be cited, but the above are sufficient to illustrate and sustain the principle involved. A few cases to the contrary are presented, but the weight of authority is as above stated.

#### Liability for Installment Notes.

A jury in a court of the justice of the peace, in Indianapolis, Indiana, on December 4, decided a test case that had been submitted as to the liability of policy-holders for installment notes. The action was upon a premium note given by one Rachael Cross to the American Insurance Company, of Chicago, for insurance upon her property. The American was re-insured by the Home of New York, which company secured the Cross note, and sued to recover unpaid installments. The defense set up was that the American, by its policy of insurance, agreed to insure certain property for a term of five years; that the American turned over to the Home all its assets, including this note, and withdrew all its agencies from the State of Indiana, and ceased to exist and do business as an insurance company, and was insolvent, and put it out of its power to carry out its contract with defendant; that six dollars had been paid on the note, which was more than sufficient to pay for the few months insurance before the sale and transfer of the American's assets to the Home; that when notified of the sale and transfer the defendant refused to recognize the same or to agree thereto, or to be bound thereby, and thereafter treated the contract as null and void; that she caused notice to be served on the American of her desire to cancel the policy, and demanded that her note be returned to her, and her policy be cancelled according to the terms thereof; that the policy never attached on account of a mortgage which existed on the property at the time of the insurance which

was not mentioned, contrary to the provisions of said charter, and therefore the policy-holders were not bound to continue paying their premiums, but were free to insure where they pleased. The verdict of the jury was, that the contract carried with it the right to reinsure; that the premium notes were still valid, and maintained the rights of the plaintiff in every material point.

### "Wild Cats" Clawing the Idaho People.

Within the past month numerous letters from local agents in Idaho have been received by general agents and managers of fire insurance companies in this city, announcing that "wild cat" company agents were invading that Territory, and writing on buildings at reduced rates. When the Legislature of Idaho passed a pernicious valued policy law last spring, and its approval by the Governor followed, every intelligent citizen having the slightest knowledge of insurance history, every student of the causes that lead to the increase of arson, every man who had taken occasion to observe the conditions under which frauds upon the assured are most easily perpetrated, at once predicted that the property-owners of Idaho would gather the bitter sweets of their law—would be roped in by the festive "wild cats" and mulcted.

The refusal of every one of the reputable companies to write on buildings in Idaho Territory, so long as the valued policy law was in force, was promised before the law received the Governor's approval. That promise was promptly carried out when the Governor, disregarding the consequences, affixed his signature to the bill. Now mark the result. Idaho property-owners have to listen to the wowl of "wild cat" insurance agents, accept their policies, or go without even a semblance of insurance. The property-owners had better be without insurance than to buy such worthless indemnity.

We are informed that such companies as the "Fargo," of Fargo, Dakota, the "Home," of Seattle, the "Anglo-American," of Washington, D. C., the "Pelican," of New Orleans, La., and the "Monarch," of the Lord knows where, unless it originated in Iowa,

have agents in Idaho soliciting building risks at lower rates than reputable companies would accept, were no valued policy or other pernicious insurance legislation on the statute books of the Territory. This brood of "wild cats" will claw many ducats out of the pockets of the Idaho people and never give a cent in return, should losses occur.

Not one of these companies has undergone an examination by any Insurance Department, and their resources are a matter of conjecture merely. Not one of them is organized in any State or Territory having an Insurance Department. The design of the managers is to wholly avoid that State supervision of their affairs which forces them to disclose their financial standing and the extent of their business. They are wholly unreliable, and their policies are absolutely worthless.

We have heretofore announced that A. McKinnie, a "confidence" insurance operator, formerly of Portland, is operating in Idaho. The policies of his companies are worthless. It also comes to us that one J. K. Eldekin is at Boise City, and is writing on buildings at reduced rates in the "Fargo," "Home," of Seattle, "Anglo-American," of Washington, D. C., if not in two or three other similar concerns. We do not know J. K. Eldekin, personally, but from the ear-marks of the man, as gleaned from the companies he represents, we set him down as a fit associate of McKinnie, and that class of "agents" who impose spurious goods upon the public. The Idaho people will gain experience by the time these fellows have bunkoed them out of their coin. It will then be in order for the mountaineers to rise in their wrath, elect a Legislature with a majority of members not cranks, who will promptly repeal the obnoxious valued policy law. When that is done reputable insurance companies will again enter that field.

The insurable property in New Zealand is estimated at £30,000,000, and the losses during the present year at £300,000, or one per cent. of the insurable property. At three recent fires no less than £60,000 were lost.



## Portland Correspondence.

PORTLAND, OR., Dec. 26, 1885.

EDITOR COAST REVIEW: The annual retrospective period is once more on hand, for the year 1885 has just about done its work. Comparisons with former years are now the order of the day, and I take pleasure in quoting from my letter written to you a year ago, as my anticipations have been fully realized. I then said:

"We hope to be able to make the coming year show up some extra good results, and by so doing help to redeem our recent past unfortunate experience. I sincerely trust that my predictions may be fully realized; and that when I am called upon to write my next December letter, my prophecies may have been more than verified."

## PORTLAND LOSSES.

As far as Portland proper is concerned, we have done very well, as the following figures, kindly furnished by Secretary Wallace of the Board of Fire Commissioners, will amply testify:

	Losses.	Insurance Involved.	Insurance Paid.
1885..	\$55,404.58	\$141,800.00	\$38,736.33
1884..	403,113.90	738,030.00	337,997.96
1883..	319,592.20	699,750.00	252,721.22

This good showing is made in spite of hard times. Estimating our annual Portland premium income at something like a quarter of a million dollars (although it may be a little more), we certainly have just cause to feel gratified; and once more let me assert that we shall do all in our power to make the coming year show up equally good results.

Just now there is considerable dissatisfaction expressed among the agents here about talk of

## REDUCING THEIR COMMISSION

to 15 per cent. I think, if such a departure should be enacted, they would have just cause for grievances. In the first place, business is very dull, and a good deal of insurance has either been cut down or materially dropped. Then again, competition is keener than ever. There are far more now in the business than heretofore. Again, owing to the present depression, this "taking it out in trade" has become a curse, and agents are frequently confronted with either

losing business that they have carried for years, or else trading in some way with the assured, and thereby often having to get what they would otherwise do without. All these facts have to be sternly looked in the face; and from absolute knowledge, I know that even at the present commission allowed, if an agent makes a respectable living, he is doing very well indeed. Most of those that have agents in the country, whom they know and can far better control (being right near the spot), than the San Francisco offices, are positive in their statements that they could not possibly get good men at 10 per cent., which would be all they could pay under the 15 per cent. regime. With the good results of the past year, we think such treatment would hardly be a just reward for our efforts, and we sincerely trust that this reduction in commissions will not be allowed.

The following, handed me by a friend, shows that the State Ins. Co. is writing something besides dwellings, churches and farm property.

## "MEACHAM STATION, OR."

R. R. Euling's Railroad Hotel burned December 11, 1885. Insured in State Ins. Co. of Salem for \$2,800; claimed to have been worth about half that amount. The "State" advertises to insure dwellings, churches and farm property exclusively."

The "Washington," of Tacoma, as you know, is a true example of this class of "premium take, heavy expenses, no loss pay insurance company;" and frequently I come across many of the victims of the late deceased, who now take good care to investigate thoroughly the assets of any concern before they take stock in it.

Otho Hall, a former resident of our city, paid us a short visit, and then went to the Sound in the interest of his companies.

C. P. Terry, after a lengthy appointing tour of the Sound country, re-visited us on his way back to San Francisco.

J. W. G. Coffran, who has been east for the past three months on business and pleasure combined, returned here at the end of this month.

Assistant Manager Niles returned recently, and once more compact matters are running along smoothly.

No fire having occurred for over two months, the Chief, thinking the department might be getting a little rusty, turned in a test alarm. Insurance men, flocking to the scene in great numbers, were pleased to find out the ruse adopted.

Murphy, Grant & Co. (branch of your city) close out here on the first of the year, thereby taking away from us something like a half million dollars insurance. Whittier, Fuller & Co. will move into the premises occupied by them. E. Martin & Co. (also branch of your city), and K. Seelig & Co., wholesale liquor merchants, have concluded to wind up their affairs in Portland.

Aaron Elkeles, suspected of firing Powers' furniture factory, has been released by the Grand Jury, not sufficient evidence being forthcoming against him.

Judge Deady has now under advisement the case of Policeman Cramer against Chief Parrish and others, the former claiming the entire Underwriters' reward of \$1,000 in the Maguire arson case, convicted and sentenced to seven years some months ago.

NAOLS.

### Jacobs & Easton's Insurance Agency.

The opening of the present year witnessed, among other notable events, the change of quarters of Messrs. Jacobs & Easton, who, upon the 1st inst. moved from their former office, which they had occupied for many years, to the premises at 423 California street, formerly occupied by the Merchants' Exchange Bank.

The firm's new office is well known to the underwriting fraternity as being among the handsomest in the city, and doubtless with the additional facilities that are there obtained, the business of the firm will continue to steadily increase. As a matter of fact this firm (although not individually) is one of the oldest agency firms here, both members of it having been connected together with the North British and Mercantile Ins. Co. long before Chicago fire times, and subsequently with the old "Occidental Insurance Co." as General Agent and Policy Clerk, respectively. Still later they were members of the firm of Potter, Jacobs &

Easton. The first company represented was a small Western company, but their business, which grew from a comparatively small beginning, was pushed with indomitable energy and perseverance, so that it steadily increased and attracted a number of leading offices to their agency, and they now control a large and flourishing agency business and stand on the top step as regards local business.

Messrs. Jacobs & Easton are the general agents on this Coast for such stalwart and reliable companies as the Glen Falls, the Union of Philadelphia, the Springfield, the German of Freeport, Ill., the German of Pittsburg, Pa., Merchants' of New Jersey, Merchants' of New York, Concordia of Milwaukee, and Clinton of New York. The firm also conduct the city department of the North British and Mercantile, and the German-American Insurance companies. Their general agency companies represent nearly ten millions of assets. With such companies to work for, and in ample quarters, the firm have a bright outlook for the future.

We are authorized to state that their new office "latch-string hangs upon the outside," and all are cordially welcome to visit the new quarters.

### The Fool-Killer Needed in Sonoma County.

Sonoma County, in this State, comprises one of the most flourishing sections on the Pacific Coast. It is a prosperous, wealthy subdivision of California, and its citizens have heretofore generally been considered to be ordinarily intelligent—sufficiently so at least, to discriminate between a mule in a melon patch and a hog "rooting down" a picket fence. The reports that have been received abroad respecting Sonoma County people have led to the belief that this was true. But the recent action of the local board of supervisors in adopting an ordinance to provide for licensing certain kinds of business, notably insurance, bids fair to dispel all the romantic maze of intelligence and honesty that hung between Sonoma County and the outside world.

The ordinance in question assumes to levy a license tax on several businesses, and in a sort of Pike County style, mixes

up menageries, grog-shops and insurance companies, after a method that is at once unique and refreshing. Of the seventeen sections of the ordinance, four bear directly upon the licensing of insurance. Section 6 provides that *every insurance company* doing business in the county must obtain a license from the county. Companies are divided into five classes, and are to pay respectively \$250, \$200, \$150, \$100, and \$50 per year, as follows:

"Companies collecting in this county during the year ending June 30th, next before the date at which application should be made for license, premiums amounting to the sum of fifteen thousand dollars, or more, shall constitute companies of the first class; companies likewise collecting premiums amounting to the sum of not less than eleven thousand dollars nor more than fifteen thousand dollars, shall constitute companies of the second class; companies likewise collecting premiums amounting to the sum of not less than seven thousand and five hundred dollars, nor more than eleven thousand dollars, shall constitute companies of the third class; companies likewise collecting premiums amounting to the sum of not less than four thousand dollars nor more than seven thousand and five hundred dollars, shall constitute companies of the fourth class; companies likewise collecting premiums amounting to less than the sum of four thousand dollars shall constitute companies of the fifth class."

By section 10 of the ordinance it is provided that those companies refusing or neglecting to obtain licenses shall be sued, and if judgment is obtained, the offender shall pay costs and \$25 penalty in addition to the amount of the judgment. Section 11 and section 15 must be read together to enable the musty mind of the insurance man to grasp the Sonoma idea of handling underwriting malefactors:

"Sec. 11. The County Auditor must immediately after the passage of this ordinance transmit to each general insurance agent or home office of an insurance company in this State, and to each local insurance agent in this county (who shall after diligent inquiry by him be known as such) a printed copy of this ordinance. It shall be the duty of every insurance company which carries on its business in this county after this ordinance takes effect, to make and file with the County Auditor a sworn statement by its general agent, president or secretary, or managing agent, showing the amount of premiums collected by such company from its business done within this county during the year ending June 30th next before the date at which such company should obtain a license under this

ordinance. Any company doing business in this county after this ordinance takes effect, which fails or neglects to make and file said sworn statement, shall be deemed to belong to companies of the first class and shall be liable to obtain and pay for license accordingly. Any person soliciting business for or in the name of any insurance company, or who shall receive applications for insurance in or by any such company, or who shall collect and receipt or deliver receipts for premium for any such company, within this county, shall be deemed without further proof to be the duly appointed and authorized representative of such company, and shall incur for any violation of this ordinance liability to the criminal prosecution herein provided.

"Sec. 15. *Every person* or corporation, and every president, secretary, or general managing or local agent of such corporation, who carries on or conducts or *assists* in carrying on or conducting in this county without a license any of the businesses mentioned herein, is guilty of a misdemeanor; and on conviction thereof shall be punished by a fine of not less than fifty dollars nor more than five hundred dollars, or by such fine and imprisonment in the county jail not more than six months; and in every case of punishment by fine the person convicted shall, in default of the payment of such fine, be imprisoned in the county jail one day for every two dollars of such fine that remains unpaid."

It will at once be seen that by the enforcement of section 15 in its full power and glory, a large number of the prominent business men on Sansome and California streets are liable to be imprisoned in the Sonoma jail unless they take out licenses for the insurance companies they manage or "assist" to do business in that county. Both sections 11 and 15 are certainly unique specimens of local legislation, and as such we quote them. Moreover we devote more space than we desire to this subject, fearing lest some other assinine board of supervisors might seek to emulate Sonoma's example and enrich their treasury at the expense of "foreign corporations."

Let us consider, O wise Sonoma Sages! Undoubtedly every county has a lawful right to impose and collect a license tax upon certain kinds of business transacted therein. You impose such a tax upon the liquor dealer, and the grocer. The one sells goods from five wholesale houses in San Francisco, and three kinds of wine from Paris, yet you impose but a single tax upon him. You have certainly the same right, and no more, to tax the retail liquor dealer for every brand of whiskey and every kind



of wine he offers you, that you have to demand a license from every insurance company, even though five or a dozen companies be represented in your community by one agent. The same with your grocer. Why not make him pay a license to sell crackers, another to sell sugar, another to sell salt?—each of these articles are supplied from a different "person or corporation" just as a variety of insurance policies are supplied to you from various companies by one agent.

Now, what is the result of this Sonoma county tomfoolery? Why, the insurance companies have added sufficient to the rates charged for insurance in that county to reimburse them for the license tax imposed. Therefore, the "wise" Supervisors of Sonoma have not taken one dollar from the companies by this tax, but have, by just whatever it brings to their County Treasury, added so much to the burdens of their constituents who insure. The fool-killer should at once proceed to Sonoma county and create several vacancies in the Board of Supervisors.

### A Faithful Watchman.

Once upon a time there was a watchman who really did watch. Several years ago a quartz mill in an interior mining town in California "shut down" for want of paying ore. The camp or town had "panned out," and the outlook for the mill-owners was decidedly blue. But the mill was insured. An idle vagabond was employed as a watchman, in the hope, apparently, that during one of his regular sprees he would set fire to the now worthless mill. So the outlook for the owners was not of so dark a hue after all. They bided their time hopefully, and read the morning papers carefully for news of the accidental burning of the mill in Panned-out Camp. Month after month passed and the watchman took his regular sprees, but still the confounded mill didn't burn. Finally these gentlemen were delighted to read, as they drank their morning coffee, that Panned-out Camp had burned to the ground the night before. They hurried down town to the office of the mill company, and impatiently awaited full

particulars from their too faithful watchman. Presently a telegram was brought in. It read as follows:

*Secretary of Blank Mining Co.: Panned-out Camp is in ashes, but, fortunately, at the risk of my life, I have saved your mill.*

Watchman.

A solemn silence followed the reading of this telegram, and it was not relieved by any vote of thanks and a reward to the devoted servant who had risked his life and sacrificed his hair and a suit of clothes to save his employers' property.

### The Hecht Claim Once More.

SAN FRANCISCO, Jan. 4, 1885.

EDITOR COAST REVIEW—The various opinions in the Hecht case in the December COAST REVIEW, all backed by good arguments and sound reasoning, show that new questions are always arising, and that we should weigh each one with care, look at the other side, and in all cases read the policy.

The law and the facts in the Hecht case as we understand it are as follows:

The "law" is that portion of the provisions of the insurance contract under "Proceedings in case of loss," as follows:

"When *personal property* is damaged, the assured shall forthwith cause it to be put in the very best possible order, properly assorting and arranging the various articles according to their kind, separating the damaged from the undamaged, and make an inventory of the same, giving the quantity, quality, and value of each article. The amount of damage shall then be determined by mutual agreement between the adjusting agent of the company and the assured, or failing thus to agree, the damage, at the written request of either party, shall be ascertained by the appraisal of each damaged article by two competent persons (not interested in the loss, as creditors or otherwise, nor related to the assured, nor sufferers by the fire,) to be mutually appointed by the assured and the company, who shall select an umpire to act with them in case of disagreement, and their report, which shall be submitted in writing and detail, and signed by any two of them, under oath, before any magistrate or other properly commissioned person, shall, as to the amount of such loss or damage only, be binding on both parties, but shall not decide the legal liability of this company under this policy. The company reserves the right to take the whole or any part of the articles at their appraised or agreed value."

The above law providing for an appraisal applies to both assured and the company, and under which both are compelled to perform certain specific acts, by which the loss and damage only shall be ascertained.

The law authorizing the company to take the damaged property is a reserved right held by the company, under which the assured is not called upon to perform any specific act in relation to his loss.

Now, as to the facts. Damage to the amount of \$13,210 was claimed by assured on 500 cases of goods, sound value, \$23,551.58, and reported to the companies by the adjusters, who were instructed to take the goods and pay the sound value. Another lot of 1,000 cases were subject to appraisal, on which was made an award of damage of \$9,743.55, on a sound value of \$35,431.12, or a total claim of \$22,953.55 on a valuation of \$58,982.70. The entire stock on which claim was made was taken by the adjusters and paid for at its sound value, \$58,982.70, and sold by Newhall Sons & Co. for the underwriters. The question at issue is, how much shall be deducted from the Hecht policies on account of this loss?

The record is not clear as to the report of the appraisers, whether they reported on both lots of goods a damage of \$22,953.55, and a sound value of \$58,982.70, or only on the 1,000 case lot, a damage of \$9,743.55 on a sound valuation of \$35,431.12. Neither does it cut any figure, as the action of the adjusters in taking the stock and paying the loss, as awarded by the appraisers or claimed by the assured, \$22,953.55, and the value of the stock, in its damaged condition, \$36,029.15, is an acceptance of the claim for damages, as asked for by the assured, or fixed by the appraisers. The assured only asked for \$13,210 on the 500 case lot, and the appraisers only awarded \$9,743.55 on the 1,000 case lot; total, \$22,953.55. The adjusters certainly did not pay any more on the loss than that amount, and if they did not pay any more than that, how or why could a greater sum be deducted from the policies?

If either of the companies in interest had chosen to pay its proportion of the loss at

this time, it could have done so, and its policy would have been cancelled in the sum paid, even if the other companies had taken the damaged stock at its agreed or appraised value.

The amount of loss was fixed by agreement or award, and could not be made greater than the demand of the assured, or the award of the appraisers, and all proceedings as far as ascertaining it under the law of the contract here ended. This loss was not payable for 60 days, and paying it when the damaged goods were paid for, was only following the California custom of paying losses promptly.

We here drop the loss, and take up the damaged stock, which under the law of the contract we reserve the right to take, at its agreed or appraised value; any company interested can do this, no concert of action on the part of the companies being needed, nor the consent of the assured required. This right gives the company or companies "the call," makes them "preferred purchasers" of the damaged goods at the agreed or appraised value. This transaction is a private venture on the part of the company or companies availing themselves of this reserved right, and whether they gave the goods to their employees for holiday presents, sold them for more than sound or original value, or stored them for a rise, can in no way affect the assured—he has neither say nor interest—the companies proceed under this law without asking his permission or saying by his leave.

The companies, when taking the damaged stock at its appraised value, paid assured \$22,953.55, being the loss as fixed by agreement or appraisement, and \$36,029.15, the value of the stock in its then damaged condition, paying the loss and for the damaged goods in a single sum. They were not compelled to do this to get possession of the damaged goods, and such payment cannot give the companies the right to reduce the policies in that amount.

If this statement of the law and facts be correct, the policies should be reduced in the sum of \$22,953.55, this being the amount claimed by the assured, and (or awarded) by the appraisers.

As this is only one side of the question, we hope to hear further from the other two sides.

Yours truly,

\* \*

### To Test the Fireman's Relief Fund Law.

The foreign and other-State fire insurance companies transacting business in this State have determined to test the constitutionality of what is known as the "Fireman's Relief Fund Law," passed by the State Legislature last spring, and signed by the Governor.

This iniquitous law provides that there shall be paid to the County Treasurer of every county, or city and county, in this State, for the benefit of the Fireman's Relief Fund of such county, or city and county, on the first Monday of December in each year, by every person who shall act as agent for or on behalf of any corporation or company not incorporated by or under the laws of this State, but carrying on the business of insurance against loss or injury by fire upon property in this State, a sum equal to one per centum upon the amount of all premiums which, during the year, or a part of a year, ending on the last preceding first Monday of September, shall have been received by such agent or person, or any other agent or person acting during such period, for said corporation or company so engaged in said business, or shall have agreed to be paid for any insurance effected against loss or injury by fire upon property situate within the limits of such county, or city and county.

The law makes no further provision for paying the money, does not prescribe any penalty for non-compliance, and is altogether considered a slipshod affair. It was originally introduced in the interest of Boss Buckley and his "lambs" of this city, under the belief that it would "drag the sack" of the insurance companies. But although coin would easily have prevented the passage of the bill, the companies refused to be bled.

Notwithstanding the law exempts local fire insurance companies, it affects them where they are transacting business in other States under retaliatory laws, and they will

unite with the other-State and foreign fire insurance companies in a test case, and see if the law to provide a "fireman's corruption fund for local Bosses," as it should properly be labeled, is a constitutional law. The companies do not believe it is. Under the retaliatory law, many companies have been paying more than this one per cent. tax into the State Treasury. Should the law be upheld, and they elect to pay the one per cent., it is not impossible that they will save the difference between the one per cent. they then pay and the two or three per cent. they have heretofore paid.

The companies have already had under consideration the matter of testing the constitutionality of the law, and will soon agree upon a line of action. Ex-Attorney General Hart has been retained to present their case. City and County Attorney Love, assisted by special counsel employed by the firemen, will immediately bring suit in a case to be taken before the Supreme Court to test the constitutionality of the law. Thus far, none of the companies or their agents have paid one dollar into any county or city and county treasury in the State by virtue of the Fireman's Relief Fund law, although several thousands of dollars were due and payable, and would have been paid on the 1st of last December, had it been considered constitutional, which it was not.

### Cancellation of the Hecht Bros. & Co. Insurance.

SAN FRANCISCO, January 1st, 1886.

EDITOR COAST REVIEW:—Referring to the decision of the arbitrators relative to the settlement of the damage of Hecht Bros. & Co., and the proper amount of the policies to be cancelled as an offset to the amount of loss and damage paid, which appeared in full in your last issue, I would like to have my say, especially as the case in question is a rare one.

Under the circumstances it seems to me that the award of the arbitrators was in the main correct, and that the "Chairman of the Committee of Adjustment" is not endorsed by law, fact or equity in his independent opinion, even if his early education was



obtained "as an adjuster for the time-tried and fire-tested Bird, whose son never set."

Insurance is a guarantee of indemnity up to a certain amount. Indemnity is compensation for loss, and the contract of indemnity states that in consideration of a certain premium, the insurer indemnifies the assured against loss or damage by fire up to the face of the policy, but in this contract it is set forth that the insurer can take any or all of the damaged articles at their appraised valuation, and also states how this damage shall be ascertained, by agreement between assured and insurers, if possible, otherwise by appraisers mutually chosen, whose award in writing shall be binding on both parties as to the amount of said damage. Now, I claim that the appraisal is final as to the measure of damage, and that the right to take the damaged goods at their appraised valuation is a separate and distinct contract and has no bearing whatever on the amount of the loss or damage. Mr. G. D. D., as a closing argument in his article, bears me out in this opinion when he quotes from Wood on Fire Insurance, Sec. 461, p. 773: " \* \* and should it eventually, upon a rise in the market, fetch more money than they have paid to the assured, they will be entitled to retain the whole as purchasers of the goods." In other words, when insurers take the damaged goods they become purchasers, and are not indemnifying the assured in the amount they pay as between the damage as appraised and the sound value. If it were otherwise, the insurers could ruin the assured. For instance, you insure \$1,000 on a stock in a frame range at 10 per cent., premium \$100; one month later the property is damaged, and the appraisers assess the damage at \$100. The insurers, imagining that there is profit in taking the stock at the appraised value, pay \$1,000 and take the stock; the assured replaces his goods for the amount received, and, according to G. D. D.'s views, would have to take out new insurance for the unexpired term at a cost of \$90. The insurers sell the stock for \$900, and have received \$100 premium for an indemnity of \$100, while, in fact, this loss has only earned \$10 of the premium, leaving

\$90 yet to be earned by the insurers under their contract.

In the case in question, a stock of \$35,431.12 was appraised as damaged \$9,743.55, while the remaining stock of \$23,551.58 was not appraised; neither was there an agreement arrived at as to the damage, the insurers simply stating that they would take the stock. In the first instance the damage was fixed by appraisers, while in the latter the insurers took the goods on speculation and with the consent of the insured; otherwise they could not have taken the stock, as there had been no appraised value fixed on it; so, in the first instance, \$9,743.55 would be the proper amount to deduct from the face value of the policies as cancelled by payment of loss or damage, while in the latter case the loss to the insurers, as between the invoiced value and the amount realized, would be the proper amount to cancel from the policies.

Indemnity is "compensation for loss," and what was lost was the damage done to the property insured, reducing its marketable value. More the assured could not swear to as his loss, and more the insurers could not deduct from their policies as loss and damage paid. In corroboration of my position, I quote:

"Amount covered by policy is decreased by any partial loss paid.—*Curry v. Commonwealth Ins. Co.*, 10 Pick., Mass., 535, 1830.

"Insured is entitled only to indemnity for actual loss by fire, and interest on that sum from the date due.—*Elmaker v. Franklin Ins. Co.*, 5 Penn. St., 138, 1847.

"When damaged property is sold at auction by mutual agreement, prices obtained are a proper criterion to be taken of their value, in estimating damages.—*Henderson v. Western Ins. Co.*, 10 Rob., La., 164, 1845.

"Claims must be settled on the basis of value at the time of loss. On damaged property, insurers are to pay the difference between its value as sound and in the damaged condition.—*Hoffman v. Western Ins. Co.*, 1 La. An., 216, 1846."

We very reluctantly differ with G. D. D.—he is a *Lion* in the business, and, though small, has a great head; but great men will

differ, and in our business it is for the great majority to say which is correct. One thing is certain—the assured has equal rights with the insurer; insurance is paid for by percentage, and the percentage of loss cancels the percentage of premium and amount covered, leaving the residue to carry the difference in risk to expiration; and with all deference to G. D. D., we must claim that he fails to draw the line between loss of or damage to property insured and the purchase of property insured. In the first instance, the assured can only show up a premium paid and a contract for his demands, while in the latter he gives the insurers property representing their ducats, and if they did not imagine there was profit in the investment, they would not invest.

We have not examined the conditions of the several policies interested, but take it for granted that all provided for taking the damaged goods at appraisers' valuation, if companies so elected, and in taking these goods they became dealers and purchasers, and the operation had no effect or bearing on the damage as appraised, which was the measure of the claim for indemnity, and, when paid, was the amount to be deducted from the face of the policies as satisfied.

R. H. MAGILL.

### Assessment Insurance Receives a Knock Down Blow.

As is well known, the Hebrew Benevolent Order of B'nai B'rith has branches in all the principal cities of the United States. Established in this country more than forty years ago, it has been held together and extended in its influence by all the cohesive force which, during thousands of years, has preserved the descendants of Abraham as a peculiar people. Recently Isidor Bush, one of the brethren, published a book reviewing the inside history of the trials and struggles which this organization has undergone in its efforts to resist disruption, through the same causes which have undermined so many other friendly orders, and which infallibly destroy the ordinary co-operative. The *Monitor*, in noticing Mr. Bush's book, says that it is a most instructive history,

reviewing, as it does, the trials of the society, the misguided influence of ill-informed members, the anxiety to secure benefits below cost, the general ignorance of mathematical laws, and the prevalence of those same delusive ideas regarding the value of new blood which have characterized the co-operative system, until at last a crisis has been reached in the affairs which must be met by the establishment of a sound basis if the work is to be continued.

The value of the recital arises from the object in view by the author, and the inherent natural strength of the organization, through which alone the struggle has been successfully maintained. The foundation of the chief trouble lay in the attempt to incorporate a scheme of endowments, for which the charges were naturally inadequate. That inadequacy was only disclosed through a lengthy experience, and one by one all the defects in the assessment system loomed up. Members whose mathematical talent was incompetent to master the problem of life insurance, soon had wit enough, if young, to discover that they were paying for the old, and the work of secession began. A few extracts from the report of the executive committee during the present year summarize the picture. Speaking of the endowment plan, they say:

"Doubts soon arose as to the permanency of the institution on the plan pursued, and wholesome and sound advice was not wanting. It remained unheeded, however, because of a general disinclination to consider future needs, largely engendered by a clamor for cheap insurance, and a want of comprehension of the principles involved. The progressive death rate brought with it additional taxation, which threatened to become oppressive, and beyond the means of many brethren, if not checked by remedial legislation.

"A feeling of uncertainty, of lurking danger, has become widespread; fallacies, which appeal powerfully to the ignorant and mercenary, such as to perpetuate an average age by the accession of new members, and to profit by it in obtaining a large life insurance by small payments, have at last been generally dissipated, but without changing the fatal course, leading inevitably to disaster.

"To aggravate the situation, many of our brethren have affiliated with other Jewish societies offering endowment benefits similar to our own, and for no other apparent purpose than to secure a large amount of cheap life insurance.

"The burden thereby assumed has proven too heavy for many, hence the outcry against onerous

taxation, and the constantly swelling list of suspensions for non-payment of dues."

The moral of all this is too obvious to need extended comment. The centrifugal force of a defective system has grown strong enough to threaten the dissolution of an organization as firmly bound together as this, and apparently only a return to sound principles can save it. What those principles are were thus formulated by the society itself:

1. Man is mortal, and the inevitable decline of life cannot be neutralized by adding more lives.
2. To pay out a certain sum at the death of every member, the aggregate amount must also be paid by the members.
3. As some men die before they can have paid as much as their beneficiaries receive, others must make good that deficiency.
4. This deficiency must be made good by paying in early years a sum sufficient to accumulate a reserve which, increased by interest, will balance the deficiency.

In other words, the B'nai B'rith declares, after an experience of forty years, that the principles of the life company are the only ones which can secure stability, even to the best-organized friendly society. It would be well for our Workmen, Chosen Friends, Legion of Honor, and other mutual society people to ponder the above.

#### Death of Manager A. P. Flint, last Month.

On December 13th, A. P. Flint, Manager of the Pacific Department of the Hartford Fire Insurance Company, died at his home in Oakland, after a brief illness. In his decease the underwriting fraternity lost one of its most prominent members.

Mr. Flint was born at Bahia, San Salvador, Brazil, where his father was serving as American Consul, November 20, 1830, and was consequently 55 years of age at the time of his death. During his early youth he resided in Massachusetts, until he came to California, arriving here on the ship *Stag-hound*, July 4, 1851. He almost immediately proceeded to Marysville, where he engaged in the crockery business until 1858. Returning to San Francisco, he served the City Paving Company for a time as book-keeper, and also Jerome Rice & Co. For a

short period he was engaged in the book and stationery business with Charles Carl, at the corner of Merchant and Montgomery streets. In 1862 he was a member of the firm of Bigelow Bros. & Flint, representing the Hartford in this city. In 1869 he was appointed, in connection with Mr. P. P. Heywood, Manager of the Pacific Department of the company. Mr. Heywood retired in 1872, since which time Mr. Flint has been the sole manager of the Hartford's interests on this Coast. That company issued a circular to its agents under date of December 16th. last, announcing Mr. Flint's death, and paying a well-merited tribute to his many excellent qualities.

In his long record on this Coast the deceased proved himself a man of great ability, sound judgment, and strict integrity. Earnestly devoted to his profession he paid the closest attention to the exacting duties and responsibilities that his position imposed upon him. In his death the Hartford lost a faithful servant, and his associates a tried and true friend.

Mr. Flint in 1860 married Miss Elizabeth, daughter of Jonathan Hunt, who survives him, as do a son and two daughters.

The Pacific Insurance Union, embracing in its membership all the fire insurance companies doing business on this coast, adopted the following resolutions at a recent meeting:

WHEREAS, the hand of death having taken from our association our loved comrade Augustus P. Flint, Manager of the Hartford Fire Insurance Company, be it

*Resolved*, that the Pacific Insurance Union has lost an active, useful member, stricken down in the prime of his honorable career. His life was marked with exact integrity; his speech was characterized by the promptings of a cheerful disposition; Christian attributes entered into the details of his business, social and domestic relations, and were recognized by all with whom he came in contact.

*Resolved*, that we, the members of the Pacific Insurance Union, do bear testimony of our high regard and appreciation of his sterling qualities of mind and heart, and do mourn his loss as a member who was



endeared to us, and whose memory will live long after him.

*Resolved*, That we tender in kindness and sorrow to the widow and children, and also to our honored, venerable associate, Jonathan Hunt, and to his family in affliction, our heartfelt sympathy.

*Resolved*, that copies of the foregoing resolutions be transmitted to the relations of the deceased, and the same entered in full upon the minutes of this Union.

GEO. C. BOARDMAN,  
CHAS. A. LATON,  
TOM C. GRANT,  
Com. on Resolutions.

### Pacific Insurance Union.

It is gratifying to note that matters under the compact system on the Pacific Coast, taking all the circumstances into consideration, are successfully moving along. The organization of the Pacific Insurance Union was completed in February last. At the outset under compact management there was a loss of business felt by some of the offices, but better general results were experienced. While smaller lines were carried there was an increase of premium rates as to companies known before compact times as non-Boarders. Rates generally under the Compact are about the same as they were under the old Board rates, except in outside towns where loss ratios have always been beyond a paying basis.

It is also gratifying that the public are becoming satisfied with the established Union rates. Business men who insure their property largely, realize the necessity of adequate rates. The smaller companies have not suffered by uniting with the Union as much as they anticipated. In most cases the brokers and local agents control the business, and where the smaller companies have pushed their business in a conservative way, their policies have commanded Union prices as readily as those of the larger companies.

At present writing everything is in good working order, and Union rates are established in all the leading towns on the Coast. We are confident that when the second

year's business begins under the Union, the companies will experience smoother sailing, and more fully realize the advantages of and the necessity of this organization.

We believe that Manager Stillman, with the Executive Committee, has guided the affairs of the Union with fairness to all concerned, and with entire impartiality. It is only necessary to retrospectively consider fire underwriting on this Coast, bringing to mind the condition of affairs in past years, to at once feel a sense of confidence in its present and hope for the future. Taking everything into consideration the COAST REVIEW deems the present a favorable opportunity to suggest that congratulations are in order, all around, so far as relates to fire insurance, under the guidance and regulation of the Pacific Insurance Union.

### The Universal Accident Indemnity Swindle Mill.

Since the last issue of the COAST REVIEW a number of victimized stockholders of the collapsed swindle, known in its brief lifetime by the high-sounding title of "Universal Accident Indemnity Company," have held a meeting to discuss what measures could be taken to recover a portion of the money expended by them for stock. The experiences related by the duped ones bore out the predictions made by this journal months ago relative to the swindling concern then organizing. As for Graham and Stuart, the original promoters and head robbers implicated in the scheme, the outcome fully justifies all that the COAST REVIEW ever alleged against them. They were a brace of adventurers, and took everything they could lay hands on, false pretenses characterizing their every movement and utterances thus far exposed.

We believed, and so stated, and it has not been disproved, that the \$25,000 deposited in the Bank of California by Mr. Morgan for the purpose of getting a certificate from the Insurance Department authorizing the company to do business, was never intended to liquidate the debts of the company—was not a *bona fide* subscription. But we believe it was put up "with a big string at-

tached" to pull it down when most convenient. Possibly Secretary Westwater, as the intimate friend of Morgan, was "the string" intended to be used. When Morgan put his name to the stock book he probably went a step farther than he intended, and the mysterious disappearance of that stock-book, when the company collapsed, after notification by the Insurance Commissioner at the instigation of three duped policyholders, who were alarmed by the exposures made in this journal, looks bad for Mr. Morgan and Mr. Westwater. It remains to be seen whether Mr. Morgan will allow the \$25,000 deposited by himself to be used to pay claims maturing in the future. It is possible, however, that the intentions of both Mr. Morgan and Mr. Westwater were honorable, and that Graham and Stuart duped them into bolstering up the fraud they had set afloat.

As previously stated in issues of this journal, we believe that Insurance Commissioner Knight should have never issued his certificate authorizing the company to do business. The Commissioner has discretionary powers which ought to have been exercised, when his attention was called to the methods pursued by Graham and Stuart. While he might not have been notified of the evident rottenness of the company by official documents, yet sufficient information must certainly have reached the Department to make it his duty to investigate, and the result of such investigation would have shown that the stockholders in the Universal Accident Indemnity Company were not at that time personally responsible for the liabilities of the company.

The floating of this fraudulent concern as an insurance company, even for the brief time it existed, is to be deplored and condemned in the strongest terms. By such frauds is legitimate insurance of every description disgraced, brought into contempt, and placed under the fire of unfriendly criticism from persons lacking the power to discriminate between the good and the unworthy. Give a few such rascals as Graham and Stuart swing, and the community would soon lose confidence in all insurance companies. To defeat the aims of such

rogues is one of the reasons why the State established a department regulating insurance.

### Decline of Assessment Life Insurance.

#### THE LEGITIMATE ARTICLE IN DEMAND.

There is a general forward movement to note in the field of legitimate life insurance, and a corresponding decline of confidence in the non-fraternal, Mutual Endowment and (so-called) Benevolent Associations. The wave of assessment-coöperative insurance that rolled over the Rocky Mountains from the East a few years since, and found thousands of ready converts on this Coast, has spent its force, and is receding, or rather, is evaporating. Assessment societies find that "new blood" cannot be obtained, confidence in the continuation of the co-operatives has become shaken, and the membership of several of these assessment societies is rapidly diminishing, while all are more or less affected.

On the other hand we are confident that when the regular life insurance companies' figures for the past year appear, they will show a marked increase in business transacted. On the Pacific slope the people who have become weary of increased assessments in the co-operatives, are realizing that they were led astray by a delusive hope of "cheap life insurance" under the assessment plan, and threw away their money without securing any permanent benefit in return.

The experience of one gentleman, who for several years maintained his standing in several assessment societies, is the experience of thousands on the Pacific slope. Said he: "I realize my error. Had I invested in regular life insurance what I paid in assessments to the various assessment orders, I should have secured ample insurance. I am done with co-operatives and assessments."

The people who joined assessment societies here ten or twelve years ago, find that the turning point has been turned, and that the experience of co-operativism for many years is theirs. While there was sufficient young and new "blood" joining them to balance the withdrawals, everything was lovely; but increasing age of membership

infallibly is accompanied by increasing deaths and consequent increase of assessments. Hence, the growing complaints over increased cost of assessment insurance.

The tide has turned for co-operative assessment insurance, and the regular companies are more sought after than ever. The year 1886 promises to be a good one for legitimate life insurance on the Pacific Slope.

### Marine Insurance on the Pacific Coast.

In speaking with one of our underwriters upon the probable results of the marine insurance business of our coast for the past year, he thought that many companies would show a loss, some few a small profit, and the combined of all a loss, on this underwriting account.

In years gone by, he continued, companies rarely showed a profit of less than 25 per cent. upon their marine business; but lately each year's transactions proved smaller percentage of rate received on their total liability; and that through the competition of the many companies represented in this city, one is to be congratulated if showing a profit of ten per cent. Interviewing others on this subject, we heard many reasons why this past profitable business had assumed its present alarming condition.

With all other business that loses money, the principal cause of its failure is due to selling at less than cost, or for want of skill in its management; but with marine insurance, we find that its present demoralized condition is due to over-competition, brought about by the desire of all to increase premium receipts, which in many cases mean extra concessions to the insuring public.

Many of our agencies are allowed to carry very large lines, and some the whole cargo, re-insurance of which is attended to at their headquarters. Such a course cannot help but prove detrimental to the interests of the many who are contented to carry their own lines, without seeking to control lines larger than they care to assume.

Re-insurance has and always will prove to be a parasite upon companies, as through its workings it forces business into the channels of larger or favored companies,

who, to control or retain large lines, will often accept business at rates beyond competition, and then seek protection from those they can. If twenty companies were known on a large shipment, instead of one, we believe that better rates would be received by all; and in case of partial losses, the settlement would not depend upon same conditions as accepted by the reinsured.

We are of the opinion that the heavy lines allowed to be accepted by agency companies work to the disadvantage of the company, and more so as to the agents, as each agency ought to be made a source for profit, and not loss; yet how can this be derived if an agency can write on one risk, the loss of which would sweep away its receipts for one or two years? Even though the company is willing to follow this course, would not several years non-success in its agency transactions somewhat reflect against the skill and reputation of the agent as an underwriter, his showing being criticised by all to his disadvantage only?

Each special trade or route should likewise be made, as far as possible, a profit for insurance; for continued losses on a certain route ought not to be paid out of the profits of others. If companies can see only a profit on a trade "providing" that there is not one total loss for fifteen or twenty years to come, what hopes have they to expect to make money from its business?

By a systematic classification of receipts and losses of every trade and branch of the Marine business, it would be the means of converting what is now for all but a few, a perilous game of chance, into an occupation of certain success.

Among the many losses reported during last year we give only the following, all of which proved total, and were bound to and from our Coast, or owned in San Francisco:

Jan. 1, bark *Lile*, from Callao for San Francisco; total loss; near Humboldt, Cal.

Jan. 1, bark *Abbey Cowper*, from South America for Portland, Or.; total loss; at Shoalwater Bay, Washington Ter.

Jan. 19, bark *Dewa Gungadkur*, from Callao for Portland, Or.; total loss; at Shoalwater Bay, Washington Ter.



Jan. 20, ship *Cowden Law*, from Newcastle, England, for San Francisco; abandoned at sea on fire.

Feb. 2, schooner *Little River*, from San Francisco; total loss; at Whitesboro, Cal.

Feb. 10, schooner *Annie Gee*; total loss; at Eureka, Cal.

Feb. 10, schooner *Ariel*, from San Francisco; total loss; at South Sea Islands.

Feb. 20, schooner *Chas. T. Winslow*; total loss; at Stewart's Point, Cal.

Feb. 28, ship *Kirkwood*, from Astoria, Or., for Liverpool; abandoned at sea.

March 4, tug *Sol Thomas*, blew up, and total loss; at Coos Bay, Or.

March 21, schooner *Agnes Nicolaysen*, ashore, and total loss; at Little River, Cal.

March 25, ship *St. Lucie*, from Philadelphia for San Francisco; missing.

March 25, steamer *Gazelle*, burned at Puget Sound, Washington Ter.

May 13, ship *Earl Dalhousie*, capsized in San Francisco harbor; raised after considerable trouble and great expense.

May 19, bark *Perthshire*, from Astoria, Or., for London; total loss; near Falkland Islands.

May 19, whaler *Rainbow*, crushed by ice in the Arctic.

May 29, German schooner *Rebecca*, from Yokohama for San Francisco; total loss; at Hakodate.

June 16, bark *Western Belle*, from Sydney, N. S. W., for Wilmington, Cal.; abandoned at sea.

June 26, steamer *City of Tokio*, from San Francisco for Japan and China; total loss near Yokohama.

July 8, ship *Yarra Yarra*, from Astoria, Or., for Liverpool; missing.

July 22, steamer *Wildwood*, burned on Puget Sound, Washington Ter.

July 29, steamer *Enterprise*, in collision, and total loss near Victoria, B. C.

Aug. 1, schooner *Annie F. Briggs*, from San Francisco; total loss in South Sea Islands.

Aug. 1, whaler *Napoleon*; crushed by ice in Behring's Sea.

Aug. 1, whaler *Gazelle*; crushed and abandoned in Behring's Sea.

Aug. 12, schooner *Perseverance*; total loss at Tomales Bay, Cal.

Aug. 17, schooner *Lizzie Jursa*; burned and total loss near San Jose, Cal.

Aug. 21, bark *Haddingtonshire*; Astoria, Or., for Liverpool; ashore and total loss near Point Reyes, Cal.

Aug. 29, ship *Cilirnum*, from Newcastle, England, for San Francisco; abandoned at sea on fire.

Aug. 29, bark *Montana*, from San Francisco; ashore and total loss at New Shagit, Alaska.

Sept. 9, steamer *Alex. Duncan*; ashore and total loss at Fort Point, Cal.

Sept. 19, schooner *Lulu*, from San Francisco; ashore and total loss at Westport, Cal.

Oct. 1, schooner *Sea Foam*, from San Francisco; ashore and total loss at Westport, Cal.

Oct. 1, schooner *Humboldt*, from San Francisco; ashore and total loss at Westport, Cal.

Oct. 13, whaler *Mabel*, total loss in the Arctic.

Oct. 13, whaler *George and Susan*, total loss in the Arctic.

October 13, bark *Staghound*, from Astoria, Or., for Cork, missing.

Oct. 28, schooner *D. C. Haskins*, ashore and total loss at Russian Landing, Cal.

Nov. 2, schooner *Azteca*, ashore and total loss at Altata.

Nov. 2, schooner *Cometa*, ashore and total loss at Altata.

Nov. 2, schooner *Occidental*, ashore and total loss at Altata.

Nov. 10, bark *Hope*, on fire and scuttled on Puget Sound, W. T.

Nov. 28, ship *Albula*, Burrard's Inlet, B. C., for Shanghai.

Nov. 28, schooner *Fairy Queen*, ashore and total loss at Whitesboro, Cal.

Nov. 28, schooner *Golden Gate*, ashore at Whitesboro, Cal.

Nov. 28, schooner *Hannah Madison*; total loss at Navarro, Cal.

Nov. 28, schooner *Lizzie Madison*, total loss at Cuffey's Cove, Cal.

Nov. 28, schooner *Mendocino*, total loss at Whitesboro, Cal.

Nov. 28, schooner *Mascim*, total loss at Casper Creek, Cal.

Dec. —, ship *Majestic*, from Cardiff for San Francisco, sunk by collision off Pernambuco.

Dec. 19, schooner *Isabelle*, total loss off San Diego, Cal.

Dec. 19, steamer *Huntress*, total loss by fire on Willamette River, Or.

Dec. 25, bark *Arabella*, from Burrard's Inlet for Monte Video, total loss near Victoria, B. C.

Dec. 26, brig *Hesperian*, from Nanaimo, total loss at Kahlui, Sandwich Islands.

Dec. 26, whaler *Amethyst*, from Arctic for San Francisco, missing.

Dec. 31, bark *Rover of the Seas*, Victoria, B. C., for Liverpool, abandoned at sea.

The Great Western Marine Ins. Co. of New York discontinued business on the 30th ult., and will commence to wind up its affairs. Many years ago this company was one of the leading marine corporations of the United States, with assets of over \$2,000,000. For the last few years it has been on the downward grade, until it was thought advisable by its directors to close its business, thereby saving for the stockholders what little assets remained. Messrs. Gutte & Frank, its agents here, have received instructions to re-insure its agency business in this city.

### Foreign Notes.

Mr. Charles Griffith has been appointed by the Directors of the Edingburgh Life Office to the Resident Secretaryship at Liverpool.

Mr. P. J. Foley, who has been elected Nationalist M. P. for Connemara District of Galway, Ireland, is the Manager of the Pearl Life Assurance Company.

An insurance company of a new kind has been started in Frankfurt-on-the-Main, under the name of Frankfurt Insurance Company, against damage by water pipes.

According to a decision of the Imperial German Supreme Court, punishable over-insurance consists in an intended over-statement of value — consisting either of the articles on hand, or not present and possessed, but included in the risk.

A new hail insurance company, under the name of Mutual Prussian Hail Insurance Company, has been floated in Berlin.

Great excitement has been caused amongst the population of certain parts of Alsace-Lorraine in consequence of several fire insurance companies having increased the rates of premium. The increase is said to vary from 20 to 50 per cent.

*Il Bollettino delle Assicurazioni* says that it has learned that Sig. Carlo Luccini, Director-General of the Compagnia di Assicurazioni, of Milan, has, by a recent decree, become invested with the cross of the Knights of the Crown of Italy. Signor Luccini was for many years Secretary of the company named (which is among the oldest of Italian institutions), during the General Directorship of Sig. Gori, the Nestor of [Italian] underwriters. The latter having voluntarily retired, Sig. Luccini was designated as his successor, by a unanimous vote, at a general meeting of the company.

### Pacific Coast Fire Underwriting for 1885.

#### THE RECORD BY STATES AND TERRITORIES.

From the record of the Pacific Coast fire losses reported to the COAST REVIEW from month to month, for the year 1885, we are enabled to make a *resumé* of that branch of the business transacted last year, in advance of official returns, which will appear in our next issue. The COAST REVIEW does not report fires where the insurance loss is less than \$100. To make allowance for such losses, and for unreported losses, add five per cent. to the totals found in the tabular statement given, and the result will be as near the exact loss as is possible to obtain.

It will be observed that the total reported losses for 1885 foot up \$2,491,091, which is \$222,603 more than in 1884, \$163,165 more than in 1883, and \$65,310 less than in 1882, of unsavory memory. San Francisco distinguished itself by calling for \$778,815 of insurance money, not saying anything about unreported losses, which will swell this amount to over \$820,000 at least. California, exclusive of San Francisco, shows \$1,190,052 of reported losses, almost equal to the loss of the entire State in 1884. Last

PACIFIC COAST FIRE LOSS RECORD FOR 1885, BY STATES AND TERRITORIES—SAN FRANCISCO LOSSES SEGREGATED.

MONTHS.	SAN FRANCISCO.	CALIFORNIA EXCLUSIVE OF SAN FRANCISCO.	CALIFORNIA TOTALS.	OREGON.	WASHINGTON TERRITORY.	NEVADA.	MONTANA TERRITORY.	ARIZONA.	UTAH.	TOTAL.
January.....	\$72,341	\$65,424	\$137,765	\$6,698	\$22,070	\$5,000	.....	\$1,360	\$10,000	\$182,763
February.....	18,000	62,075	80,135	10,478	6,852	.....	\$9,341	14,925	12,500	183,231
March.....	15,745	72,721	88,466	10,284	33,500	4,450	5,760	13,510	2,335	156,040
April.....	30,025	74,456	104,481	9,337	14,325	.....	4,775	2,642	3,600	138,500
May.....	21,315	65,749	87,064	6,914	22,333	807	42,716	36,465	.....	156,539
June.....	32,219	175,726	207,945	5,986	6,900	350	130	1,508	.....	222,879
July.....	87,506	103,877	191,473	5,578	21,998	12,192	9,000	2,690	.....	242,331
August.....	12,266	117,408	129,674	18,061	38,177	.....	2,850	2,100	3,340	194,202
September.....	44,709	147,193	191,902	7,317	7,142	1,285	2,250	3,100	1,500	214,616
October.....	381,055	230,294	611,349	4,371	6,300	3,168	2,600	1,750	1,750	630,638
November.....	1,481	46,949	48,430	253	579	2,750	25,839	.....	147	77,998
December.....	61,913	28,180	90,093	1,100	1,625	546	2,500	2,550	2,500	101,314
Total.....	\$778,815	\$1,190,052	\$1,968,867	\$66,311	\$179,861	\$30,508	\$107,761	\$82,780	\$35,073	\$2,491,091
Average per mo	\$64,901	\$99,171	\$164,072	\$7,192	\$14,988	\$2,530	\$8,888	\$6,898	\$2,917	\$207,591

year this State and city reported \$1,968,867 of losses. The other States and territories embraced in the Pacific Coast field show aggregated reported losses of \$523,224. This is \$518,715 less than in 1884. Oregon shows marked improvement, having but \$86,311 in 1885, as against \$503,641 the previous year. Evidently the institution of the compact brought about good results in that State. The same improvement is noticeable in Washington Territory, where the losses for 1885 were reported at \$179,861, as against \$263,726 in 1884. Montana came to the front with several general fires in 1885, swelling its record to \$107,761 for the year, while in 1884 it showed but \$14,358. Arizona shows about \$25,000 less losses than in 1884, and Utah \$5,000 more. Of New Mexico and Wyoming losses reported to San Francisco offices, the record is not large enough to be considered in connection with Pacific Coast business.

The average monthly losses reported for 1885 were \$207,591. Of these, California has to bear \$164,072, showing that the dull times in the interior of this State last year had much the same effect that they had on Oregon business in 1884. Adding five per cent. to the reported losses as given in tabular form, and the following result is arrived at for 1885. These figures are practically correct:

San Francisco.....	\$ 817,755
California, exclusive of San Francisco.....	1,249,554
California total.....	2,167,310
Oregon.....	90,626
Washington Territory.....	188,854
Nevada.....	32,033
Montana.....	113,149
Arizona.....	86,919
Utah.....	36,753
Total.....	\$2,615,643
Average monthly losses.....	217,970

Assuming that the premium income for 1886 will equal that for 1885, we may venture the following estimates of loss ratios: San Francisco, 41 per cent.; California, exclusive of San Francisco, 50 per cent.; California, 46 per cent.; total Pacific Coast, 41 per cent. The official figures may vary these estimates somewhat.

Elsewhere in this issue is given the comparative coast fire losses by months, the



character and number of risks burned, a list of the principal large fires, and such other matter, statistical and otherwise, as will enable underwriters to intelligently study the general results of the year. While the extraordinary losses reported in this State have been \$300,000 greater than in any previous year, there yet remained a margin of profit. This we believe was largely due to the efforts of the Pacific Insurance Union, which placed the business on a better basis than obtained at the beginning of the year, and it now promises favorable results in the future. Without further comment we submit the accompanying statistics as a sort of prelude to our usual February statement of Pacific Coast fire insurance business, which will appear in our next issue, and will be based on the company reports to this office.

### \$3.00 Per Year.

With this number the COAST REVIEW begins its twenty-first volume and enters its fifteenth year. We celebrate the event with a new cover and an ornamental title.

We may be pardoned for a brief reference to the services of this journal during 1885, as a purveyor of insurance news, a staunch supporter of conservative underwriting, and an unrelenting foe of the assessment folly. It has been our design to make the COAST REVIEW readable, newsy, and practical, valuable alike to companies and their agents, a mirror of the great insurance world, and an important aid to every intelligent worker who appreciates "fax and figgers."

We have resolved to advance our rate of subscription from \$2.50 to \$3.00 per annum. Without making any specific promises of improvement in the new volume, we may safely say that during 1886 the COAST REVIEW will be worth far more than the half-dollar added to the price of subscription.

We acknowledge receipt of "The Handy Assurance Guide for 1886," compiled and published by Wm. Bourne, A. J. H. Holford Chambers, 12 Lord street, Liverpool. It contains interesting statistics respecting the life assurance societies of the United Kingdom.

### Retiring Companies.

During 1885 the following companies retired from business or withdrew from the United States:

	Capital.
Cedar Rapids, Cedar Rapids, Iowa, reinsured by Continental.....	\$100,000
Franklin & Emporium.....	200,000
Germania Fire, Newark, N. J., reinsured by Germania, N. Y.....	200,000
Manufacturers, Boston, reinsured by three companies.....	500,000
Merchants, St. Joseph, Mo., reinsured by Connecticut.....	200,000
Standard, Cincinnati, reinsured by Commercial, Cincinnati.....	100,000
Houston, Texas, reinsured by City of London.....	300,000
Glasgow & London, Eng.....	337,000
London & Northwestern, Eng.....	300,000
Total.....	\$2,237,000

There were ninety-two suicides in San Francisco during 1885. Seventy-nine were men.

M. G. Sheldon, a former pastor of the Methodist church at Harvard, Ill., was arrested recently at Atkinson, Ill., charged with doing an illegal insurance business in Illinois for Iowa companies.

The St. Helena *Star* issued a breezy pictorial annual for 1866 on January 1st. The work is profusely illustrated with Aldine press engravings, and what was more captivating to the *Star*—with several pages of insurance advertisements.

Just as we go to press a neat, artistic and handy calendar comes to us from the Firemans Fund office. "As pretty as a picture," it will do to hang either in counting house or lady's bower.

The Massachusetts Relief Association of Boston is represented at Portland, Or. It may be well, therefore, to show up the little pirate. The association was incorporated January 26, 1885. It issues a life policy of \$500, exchangeable for one of greater amount in the sweet bye-and-bye, when there shall be a great many more members than at present. On the 14th of November last there were exactly 283 certificates in force. The emergency fund required by the Massachusetts law now amounts to the gigantic sum of \$558.25.

## Principal Fires.

The following is a list of the principal fires last year, with an estimate of the property lost at each:

Galveston, Tex.....	November.....	\$1,500,000
Toronto, Ont.....	August.....	750,000
Stoughton, Wis.....	July.....	650,000
San Francisco.....	October.....	650,000
New York City.....	February.....	500,000
New Brunswick, N. J.....	February.....	500,000
Chicago.....	May.....	500,000
Jacksonville, Fla.....	December.....	450,000
Plymouth, Mass.....	January.....	400,000
Boston.....	January.....	400,000
Greenwich Point, Pa.....	July.....	400,000
Chicago.....	November.....	400,000
Chicago.....	March.....	370,000
Buffalo.....	March.....	355,000
Chicago.....	March.....	350,000
New York City.....	May.....	350,000
Suffolk, Va.....	June.....	350,000
Chicago.....	December.....	350,000
New York City.....	March.....	325,000
Vicksburg.....	April.....	300,000
Antigo, Wis.....	June.....	300,000
Hot Springs, N. M.....	August.....	300,000
New York City.....	February.....	285,000
Detroit.....	December.....	275,000
New Brighton, L. I.....	July.....	260,000
Philadelphia.....	February.....	250,000
Chicago.....	February.....	250,000
St. Joseph, Mo.....	March.....	250,000
Buffalo.....	April.....	250,000
Chicago.....	May.....	250,000
New York City.....	February.....	250,000
Cincinnati.....	September.....	250,000
Marquette, Mich.....	February.....	210,000
Farmington, Mass.....	April.....	200,000
Medford, Wis.....	May.....	200,000
Danbury, Conn.....	June.....	200,000
West Manayunk.....	July.....	200,000
Philadelphia.....	July.....	200,000
Yuma, A. T.....	October.....	200,000

## Notable Coast Fires.

During 1885 the following notable fires occurred on the Pacific Coast. The figures represent the insurance paid:

San Francisco.....	October.....	\$380,000
Willows, Cal.....	October.....	92,173
San Francisco.....	January.....	54,700
Durham, Cal.....	October.....	50,396
San Francisco.....	September.....	40,096
Merced, Cal.....	June.....	37,675
Fresno, Cal.....	September.....	36,250
San Francisco.....	July.....	34,703
San Francisco.....	July.....	26,169
Phoenix, A. T.....	May.....	25,165

San Francisco.....	December.....	\$25,000
Sacramento, Cal.....	June.....	24,900
San Francisco.....	December.....	24,399
Livingston, M. T.....	November.....	22,558
Roseville, Cal.....	April.....	22,186
Walla Walla, W. T.....	August.....	21,047
Milpitas, Cal.....	June.....	21,296
Sacramento, Cal.....	June.....	19,806
San Francisco.....	April.....	19,645
San Francisco.....	June.....	18,600
Fresno, Cal.....	March.....	18,551
Miles City, M. T.....	May.....	17,962
Dayton, W. T.....	March.....	17,744
San Mateo Co., Cal.....	May.....	16,553
Fresno, Cal.....	February.....	15,366
Bisbie, A. T.....	February.....	14,240
Merced, Cal.....	August.....	13,907
Oakdale, Cal.....	July.....	12,868
Ogden, Utah.....	February.....	12,500
Jerome, A. T.....	April.....	11,500
San Francisco.....	July.....	10,905
San Bernardino, Cal.....	August.....	10,833
Miles City, M. T.....	April.....	10,452
New Tacoma, W. T.....	January.....	10,100
San Francisco.....	March.....	10,000
Rockford, W. T.....	August.....	10,000
Selma, Cal.....	September.....	10,000
Salt Lake, Utah.....	January.....	10,000
Merced, Cal.....	October.....	10,000
Guerneville, Cal.....	July.....	10,000
Oakland, Cal.....	July.....	10,000

There were, besides the foregoing, forty-three fires at which the insurance paid run from \$5,000 to \$10,000.

## Character of Coast Risks Burned.

We present herewith a summary of the different risks burned on the Pacific Coast during 1885. The list does not include those losses which are reported under the head of "general fires," a large portion of which should be credited to "merchandise:"

	No.	Am't.
Adobe stores.....	1	\$2,000
Agricultural implements.....	2	1,250
Apiary.....	1	846
Barns and stables.....	78	68,919
Blacksmith shops.....	8	5,986
Boarding houses.....	17	26,923
Buildings, frame.....	124	117,717
Buildings, brick.....	23	22,820
Brewery.....	1	2,780
Butcher shop.....	1	790
Barber shop.....	1	150
Bakery.....	5	2,053
Chicory factory.....	1	3,674
Charcoal.....	1	750
Churches.....	2	6,100
Cooper stock.....	2	4,700

Cordwood.....	3	\$2,44
Carriages.....	1	200
Chemical works.....	1	1,387
Cigars (tobacco).....	2	2,047
Dwellings.....	307	283,114
Doors, blinds, sash, oils, etc.....	1	19,806
Draughts.....	4	4,996
Eye works.....	1	800
Dairy building and feed.....	1	16,553
Dredger and machinery.....	1	9,900
Furniture (in dwellings).....	110	59,87
Furniture factory.....	1	9,000
Furniture stores.....	4	5,842
Flour mills.....	6	69,005
Foundries.....	2	5,052
Farm buildings.....	1	3,117
Farm property.....	1	1,500
Farm machinery.....	2	870
Grain (in field).....	6	9,398
Grain growing.....	5	2,647
Granaries.....	1	1,376
Greenhouse.....	1	250
Halls.....	2	2,450
Hay.....	14	12,044
Hay in stack.....	2	1,085
Hay press in field.....	1	300
Hay and feed store.....	1	1,500
Hay warehouses.....	6	23,545
Hop barns.....	2	1,257
Hop kiln.....	1	1,000
Hops.....	1	1,135
Hop poles.....	1	4,992
Horses.....	1	280
Hotels.....	31	56,642
Harness.....	1	1,100
Hardware, stoves and tinware.....	7	3,763
Laundry.....	1	2,682
Livery stables.....	7	12,977
Lodging houses.....	3	2,245
Lithographing establishment.....	1	24,399
Lumber.....	1	2,375
Leather goods factory.....	1	3,850
Machine shops.....	3	4,033
Machinery.....	2	709
Malt house and malt.....	2	2,122
Millinery.....	1	180
Merchandise and fixtures.....	117	192,771
Mattress factory.....	1	1,090
Military equipments.....	1	250
Printing offices.....	3	3,750
Paintings.....	1	922
Restaurants.....	3	1,137
Slaughter house.....	1	397
Smelters, quartz mills, etc.....	6	35,474
Steamers.....	3	5,024
Steamboats.....	2	5,190
Saw mills.....	3	14,828
Saloons.....	31	28,369
Separators, threshing outfits, etc.....	3	2,353
Separators, stored.....	2	2,750
Schooner.....	1	3,000
Soda works.....	1	1,085
Sash and door factory.....	1	1,250

Spice and coffee stock.....	1	\$2,185
Shirt factory.....	1	34,703
Skating rink.....	1	1,074
Stevodore outfit.....	1	810
Shingle mill.....	1	1,500
Tailings mill.....	1	1,346
Tanneries.....	3	12,797
Tool house and contents.....	1	1,535
Tools.....	2	650
Tailor shop.....	1	1,886
Warehouses.....	8	12,342
Warehouses and grain.....	2	71,692
Woodwork.....	1	300
Wooden mill.....	1	17,250
Wine cellar.....	1	5,000
Wineries.....	2	5,340
Wine tank.....	1	820
Winery and distillery.....	1	36,250
General fires.....	54	1,029,063

### Monthly Fire Losses in the United States.

The fire losses in this country by months are estimated in round numbers as follows for the years 1883-84-85:

	1883.	1884.	1885.
January.....	\$9,000,000	\$12,000,000	\$8,500,000
February....	7,000,000	7,000,000	10,000,000
March.....	7,750,000	8,500,000	9,000,000
April.....	7,000,000	10,000,000	7,800,000
May.....	8,750,000	9,500,000	8,700,000
June.....	6,000,000	7,000,000	6,800,000
July.....	8,000,000	9,000,000	8,500,000
August.....	10,000,000	10,050,000	5,500,000
September...	7,750,000	9,000,000	6,500,000
October.....	9,000,000	10,000,000	5,500,000
November...	8,750,000	7,500,000	7,700,000
December....	12,000,000	11,000,000	10,500,000
Total....	\$101,000,000	\$111,000,000	\$95,000,000

### FIRES.

#### COMPARATIVE COAST FIRE LOSSES.

The following are the monthly losses on this Coast, as reported to the COAST REVIEW for 1885, 1884, 1883 and 1882:

	1885.	1884.	1883.	1882.
January....	\$182,763	\$146,281	\$276,553	\$123,815
February...	133,231	211,911	119,008	53,147
March.....	156,040	106,975	122,838	94,593
April.....	138,560	175,104	61,665	129,781
May.....	190,559	129,797	145,579	541,871
June.....	222,879	144,851	141,927	175,691
July.....	242,331	190,007	431,565	422,491
August.....	194,202	417,388	344,055	303,051
September..	214,616	309,303	169,502	258,108
October....	630,638	139,488	174,753	147,117
November..	77,998	136,814	251,403	138,924
December...	101,314	170,318	74,298	167,812
Totals....	\$2,491,091	\$2,278,488	\$2,327,926	\$2,566,401



December 31, San Francisco—[A large fire occurred at Fourth and Market street, at which the insurance loss amounted to about \$25,000, and is now in process of adjustment. The figures will appear in the next issue of the COAST REVIEW. There are fifteen or twenty companies interested.]

Nov. 28, Visalia, Cal., frame dwelling:  
Liverpool, London & Globe.....\$249

Nov. 7, Red Bluff, Cal., dwelling and contents:  
Liverpool, London & Globe.....\$12,144

Nov. 22, Boston Ravine, Cal., dwelling and buildings:  
California.....\$1,200

Nov. 31, Downey, Cal., flour mill:  
Traders.....\$994  
Oakland Home.....994

Nov. 30, Livingston, Montana, general fire:  
Commercial, S. F.....\$1,000  
Home Mutual.....1,000  
Commercial Union.....500  
National of Hartford.....1,450  
Bowery of N. Y.....1,000  
Clinton of N. Y.....500  
Scottish Union & National.....1,250  
Phoenix of Hartford.....1,075  
Home of N. Y.....1,570  
National of N. Y.....1,500  
Hartford.....673  
National of Ireland.....1,750  
Union of New Zealand.....632  
Liverpool, London & Globe.....1,347  
Howard.....1,615  
City of London.....800  
South British & National.....950  
Firemans Fund.....2,446  
Providence-Washington.....500  
Svea.....1,000  
Total.....\$22,558

December 22, Butte Co., Cal., machinery:  
Phenix of Brooklyn.....\$200

December 24, Mission San Jose, Cal., hotel and furniture:

Southern California.....\$675  
Home Mutual.....400

December 18, San Francisco, contents of dwelling and stable:  
Sun.....\$830

December 8, Eureka, Nevada, drugs:  
Röyal, Norwich Union and Lancashire.....\$546

December 5, San Francisco, building and merchandise:  
Transatlantic.....\$350

December 25, San Francisco, brick building, lithographing stones, models and stock of labels and machinery:

North German.....\$1,500  
New Zealand.....750  
American, Newark.....750  
Helvetia.....2,000  
Caledonian.....1,250  
Hamburg-Magdeburg.....1,250  
London and Lancashire.....1,250  
Ins. Co. of North America.....825  
Manchester.....1,250  
Pennsylvania Fire.....825  
Concordia.....950  
Lion.....750  
Guardian.....812  
Washington.....500  
Germania.....950  
Phoenix of London.....1,500  
German of Ill.....1,000  
British American.....125  
Oregon.....812  
Hamburg-Bremen.....750  
Commercial Union.....3,750  
Niagara.....750

Total.....\$24,399

December 20, San Francisco, dwelling:  
Transatlantic.....\$500

December 28, San Francisco, paintings, frames, etc.:  
Etna.....\$922

December 13, Red Bluff, Cal., dwelling:  
Ins. Co. of North America.....\$600

December 30, near Prescott, Arizona, dwelling:

Hartford.....\$1,200

December 16, Stockton, Cal., dwelling:  
American Central.....\$664

December 20, San Francisco, dwelling:  
Prussian National.....\$700

December 8, Santa Monica, Cal., furniture:

Imperial, London, Northern & Queen.....\$200

December 24, Haywards, Cal., dwelling:  
Home Mutual.....\$700

December 15, Los Gatos, Cal., frame building and general merchandise:  
Home & Phenix.....\$1,200

December 13, Ogden, Utah, dwelling and contents:

North British and Mercantile.....\$2,500

December 24, Independence, Or., frame barn and contents:

German American.....\$600

December 19, Oakdale, Cal., furniture:  
Lion.....\$550

December 18, Seattle, W. T., brick building:

Home & Phenix.....	\$175
North British and Mercantile.....	250
German American.....	250

December 27, Valley Ford, Cal., dwelling and furniture:

Home & Phenix.....	\$3,875
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December 4, Merced, Cal., hay in warehouse:

Lion.....	\$1,130
North British and Mercantile.....	500
Niagara.....	500
German American.....	500
Washington.....	1,400
Commercial Union.....	1,130
Orient.....	1,130
Commercial, S. F.....	1,270

Total.....\$7,560

December 7, Redwood City, Cal., frame barn:

German American.....	\$1,000
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December 18, San Francisco, dwelling:

Hamburg-Bremen.....	\$210
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December 4, Butte Co., Cal., boarding house:

Niagara.....	\$1,000
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December 3, Temescal, Cal., greenhouse and plants:

Phenix of Brooklyn.....	\$250
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December 12, Stanislaus county, Cal., dwelling:

Phenix of Brooklyn.....	\$200
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December —, Glendive, M. T., hotel furniture and fixtures:

California.....	\$1,500
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December —, near Salem, Or., frame dwelling:

California.....	\$200
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December —, Seattle, W. T., two frame dwellings:

California.....	\$950
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December —, Chico, Cal., two frame dwellings:

California.....	\$509
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December —, Portland, Or., furniture and wearing apparel:

California.....	\$600
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December 14, St. Helena, Cal., frame dwelling, furniture, etc.:

Imperial, London, Northern & Queen.....	\$4,500
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December 19, San Francisco, dwelling:

State Investment.....	\$375
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December 15, Solesville, Montana, merchandise:

City of London.....	\$750
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December 9, Santa Clara county, Cal., frame barn and contents:

Liverpool & London & Globe.....	\$320
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December 13, Red Bluff, Cal., frame dwelling:

Liverpool & London & Globe.....	\$745
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December —, Portland, Or., merchandise and fixtures in frame store building:

Liverpool & London & Globe.....	\$300
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December 9, near San Bernardino, Cal., frame dwelling and furniture:

Firemans Fund.....	\$400
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December 1, Oakdale, Cal., building:

Western, S. F.....	\$250
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December 26, San Francisco, frame building:

Western, S. F.....	\$250
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December 15, Tombstone, Arizona, hoisting works:

German of Illinois.....	\$1,475
Springfield.....	1,475

December 8, San Francisco, bakery:

Fire Ins. Ass'n, London.....	\$129
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December 20, San Francisco, dwelling:

Fire Ins. Ass'n, London.....	\$100
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December 28, San Francisco, dwelling:

Agricultural.....	\$100
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December 28, San Francisco, dairy barn:

New Orleans Ins. Association.....	\$688
Fire Ins. Ass'n, London.....	1,000
Citizens.....	1,000

Dec. 10, Sacramento Co., Cal., dwelling:

Oakland Home.....	\$500
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Dec. 15, Ophir, Cal., dwelling and furniture:

Oakland Home.....	\$632
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December 28, San Francisco, furniture in dwelling:

New Orleans Ins. Ass'n.....	\$500
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December 28, San Francisco, foundry:

German of Pittsburgh.....	\$700
Continental.....	160
Teutonia.....	1,000
New Orleans Ins. Ass'n.....	1,000
Fire Ins. Ass'n, London.....	1,000
Citizens.....	1,000

Total.....\$4,860

Total December fires.....\$101,314

Total November fires.....38,139

Grand total fires reported.....\$139,453

## CHIPS.

—Subscribers and others are hereby notified that the subscription price of the COAST REVIEW has been advanced to \$3.00 per annum. Reference is made to this matter elsewhere. We deem the advance a fair one to all concerned, as the ruling subscription price of insurance journals is \$3.00 per annum. The COAST REVIEW motto, in its treatment of underwriting topics, is "fair rates and no undercutting," and ordinary consistency requires us to apply this sensible motto in our dealings with subscribers. The new rate begins with the January number, 1886.

—Franz Jacoby & Co. have been appointed City Agents of the Westchester Fire Insurance Company of New York, by A. C. Donnell & Co., general agents for the Pacific Coast.

—Upon the death of Manager A. P. Flint, of the Hartford Fire Insurance Company's Pacific Coast branch, Mr. Henry K. Belden, long connected with that office, was appointed temporary manager. He will serve until the arrival of President Chase, who is expected here the last of the present month, to appoint a permanent manager, and otherwise care for the Hartford's interests on this Coast. It is thought by underwriters generally, that Mr. Belden will be continued as Manager.

—We learn that J. R. Middlemiss, who was "shown up" in the December COAST REVIEW, is soliciting for the Equitable Life. We are confident that the managers of the Equitable know nothing of the character and record of Middlemiss, and we are surprised that the general agent of the company, Mr. Garland, should retain his services a single day. Whatever may be Middlemiss's ability as a "live" solicitor, it is certain that his methods are dishonorable, and will bring discredit to life insurance in general, and trouble to the Equitable. If Middlemiss is not promptly discharged the mortality rate of the Equitable in this field will assume startling proportions.

—Copies of the "Customer's Expiration Book," published at this office, may be obtained for 50 cents per single copy, or \$35 per 100. Send in your orders.

—M. F. Herrick, who has been with the Commercial Fire Ins. Co. of San Francisco since its organization fourteen years ago as head book-keeper and counter-man, has been elected assistant secretary of the company. Mr. Herrick's long and faithful services, no less than his experience and careful attention, fully merited the promotion, and the company in so doing rewarded the proper person.

—While H. R. Mann was visiting the Eastern States recently he made arrangements with all the Pittsburg companies represented by his agency, to write a joint policy on Pacific Coast business. It will be known as the Pittsburg Underwriters' Agency, and will include the Allemannia, the Boatmans' F. & M., the Pennsylvania, and the Peoples' Insurance companies, representing combined assets of \$1,387,509, and combined capital of \$850,000.

—George F. Grant, for many years connected with the underwriting interests of this Coast, and for several years past special agent with the North British and Mercantile and German-American insurance companies, has been appointed Assistant General Agent of those two companies on this Coast. Mr. Grant is one of the energetic workers in the profession, and merits the compliment; knows the Coast business, and brings valuable experience to his new position.

—Among the recent appointments of the Union Mutual Life Ins. Co. in the "Pacific Department," we note the following: at Denver, Col., A. W. Young; at Cheyenne, Wy. T., A. McPherson; at Helena, Montana, F. H. Grubbs; at Sacramento, J. E. Hobbie; and at Los Angeles, W. S. Fowler. With the beginning of the year, Mr. J. F. Ferris, the newly appointed superintendent, is inaugurating a very active campaign. He is now locating new agencies in Texas, Kansas and New Mexico. Mr. Ferris has been opening up new fields upon the Pacific Coast the past year, and a largely increased business for the Union Mutual is the result.



—A. F. Gartner, special agent with the Home & Phoenix for Oregon and Washington Territory, is visiting this city.

—Wm. Greer Harrison, President of the Anglo-Nevada Assurance Corporation, has gone on a flying trip to England on business in connection with his corporation.

—A paragraph from the *Weekly Underwriter* appeared on page 927 of the December number of this journal without credit, through somebody's oversight or no-sight. If the COAST REVIEW were inclined to steal from its exchanges, however, there is none that is more tempting to a pair of predatory shears than our newsy and able contemporary, the *Underwriter* of New York.

—We understand that Russell, who was notoriously conspicuous as manager of the Pacific branch of the "Mutual Self-Endowment and Benevolent Association of America," which was a hat-passing co-operative assessment concern hailing from Texas, having been relieved from the arduous duties in connection therewith, has taken charge of Brother Jordan's pet, the Mutual Endowment Society, in Oakland, and together with Chief Justice Bishop, late of the City Justice Court, will no doubt delude a considerable number of persons into investing in "cheap insurance."

—We have just received a handsome copy of "A History of the Insurance Company of North America," issued from the press of the *American Exchange and Review*. The binding and letter-press are superb. In addition to fine engravings of the first and present buildings of the company, there are portraits of all the Presidents, and fac simile copies of the early marine policy (1793), the brokers' marine policy of 1795, the fire policies of 1795 and 1809, proposals for fire insurance in 1806, and the first page of marine blotter in 1792. The historical account is of interest to all underwriters. The Insurance Company of North America began business in 1792. It had its origin in the Universal Tontine, a project which was abandoned in favor of a general insurance company. The Universal Tontine was designed to raise "a fund upon lives, to be applied to the charitable and other uses."

—Fifteen co-operative corporations were dissolved one day last month by the Supreme Court of Pennsylvania, and others have been cited to show cause why they should not follow.

—The COAST REVIEW for February will contain its usual statistical information pertaining to the fire, marine and life insurance transactions in this field during 1885. Orders for extra copies should be sent in early.

—The COAST REVIEW will furnish blanks for the returns of Pacific Coast and California fire insurance business for 1885, and we would be pleased to have the different offices promptly supply their figures, so that the tabulation of our annual statement may be early arranged for insertion in the February issue.

—The annual meeting of the Board of Marine Underwriters of San Francisco was held on the fifth instant, and the following officers were elected: Gustave Touchard, President; C. L. Taylor, Vice-President; Edward L. Woods, Secretary. The Committee of Adjustments are Gustave Touchard, Wm. J. Dutton and Chas. A. Laton.

—The adjustment of the loss by the fire in the lithographic establishment in this city on the 25th ult., has not been completed as we go to press. The total insurance will foot up about \$36,000. Some of the companies preferred to not give an estimate of the loss before the adjustment was completed. The exact figures will appear in the next issue of the COAST REVIEW.

—On December 20th, the time expired in which the Universal Accident Indemnity Company had to make good the deficiency in its capital stock, as directed by the Insurance Department. The company did not respond; and on December 29th, in accordance with the statute, the Insurance Commissioner notified the Attorney-General, whose duty it is to bring suit and cause the delinquent concern to either put up or shut up. It is probable that the Attorney-General will not bring an action, as, judging from his past course, his sympathies seem to be largely enlisted in behalf of companies such as the Universal Accident Indemnity was.

—It appears from the neat calendar issued by E. O. Ballard's agency, at Marlboro, Mass., that the Yankees count time very much as we do on the Pacific Coast.

—Rollo V. Watt, for several years city agent for Smith & Moody's General Agency of San Francisco, was elected Secretary of the Southern California Insurance Company on the 2d instant.

—A. C. Hammond, cashier for Falkner, Bell & Co's General Insurance Agency, has resigned that position to accept a similar situation with the General Agency of the Guardian Assurance Company of London.

—R. H. Magill, General Agent of the Home Mutual Insurance Company, is confined to his residence by a dislocated hip, occasioned on New Year's Eve, as Mr. Magill slipped and fell when alighting from the cars in Alameda.

—Calendars for 1886 have rained in from every quarter, and still they come. Many of them are beautifully illustrated. The Washington Fire, the New England Mutual Life, the Niagara Fire, Pennsylvania of Pittsburg, the German-American, the Glens Falls and others have especially neat designs on the margins of their calendars.

—The Fidelity and Casualty and the Accident Company of North America have introduced the feature of granting joint policies of insurance against accidents on members of partnership firms, whereby all of the members of the firm are included under one policy; and in the event of either member dying from accidental causes, the amount of the policy is payable to the survivors.

—A verdict was recently reached in the Supreme Judicial Court of Massachusetts, affirming the right to recover under a fire insurance policy on all goods implied in the mercantile construction of the words "rags, old metal, boxes and barrels," as applied to a junk dealer's stock, which construction includes more than the words express—provided, however, that such construction be widely known, usual, and within the cognizance of both parties to the insurance contract. The case thus decided was that of *Mooney v. Howard Insurance Co.*

—It is the general opinion that steam pipes will ignite adjoining wood work.

—The late Emery A. Storrs, the prominent lawyer and political orator of Chicago, who died last fall, on January 1, 1885, applied for a \$20,000 policy in the Equitable Life Assurance Society of New York. The policy was issued in due course and delivered, but the first annual premium of \$988 was not paid at the time, and Storrs neglected to pay it up to the time of his death. After considerable negotiation the company paid \$10,000 to Storrs' widow, as a compromise. It is probable that it will be some time before another company will be found napping. Storrs' policy acknowledged the payment of the premium, which was never paid.

—Sarah Wells, a servant girl of Shasta county, Cal., has been sentenced to one year in San Quentin for arson. The girl says that her employers, a Mr. and Mrs. Redeker, owned a house and barn insured for over \$5,000. She had been working about a month in the house when Mrs. Redeker confided to her that this insurance money was very much desired. There was only one way to get it, however, and that was to set fire to both the house and barn. Though she did not like the proposition, the prisoner was afraid of losing her place, and after some hesitation consented to aid Mrs. Redeker in carrying out her plans. Preparations were accordingly made, and one night the barn was set on fire by Mrs. Redeker. Several farm hands happened to be in the neighborhood at the time, and through their efforts the house was saved, though the barn was destroyed. About a week later the prisoner acted upon the instructions of her mistress and saturated the front porch of the house with kerosene and turpentine, and applied a match. The house was burned to the ground and nothing was saved. The peculiar nature of the two fires led to an investigation. Fearing that Sarah would betray her, Mrs. Redeker determined to save herself, and informed on her servant, to whom all the blame was attached. Conviction and sentence followed, while the real culprit, as the prisoner alleges, is still at large.

—During the past year, 1,221 buildings were erected or undertaken in San Francisco. Of this number only thirty-nine were brick. The increase over last year was about 30 per cent.

—What do you think of the new head the COAST REVIEW sports this month? The first man who says the new head should have been on the editor's shoulders may expect to be floored with a paper-weight.

—The table of contents of the January number of the *Overland Monthly* embraces another article on the Wyoming anti-Chinese riot, by A. A. Sargent; "Observations on the Chinese Laborer;" "Louis Agassiz," by Joseph LeConte, and a great variety of lighter reading.

—As usual, the Washington Life Ins. Co. issues an almanac that is simply admirable. This year the subject of the numerous illustrations and descriptive accounts is fishes. About every fish that swims, except our California flounder, is represented in this bijou of an almanac.

—R. L. Etheridge, the Guerneville incendiary, who voluntarily confessed his crime several months ago, pleaded guilty a few days ago, and was sentenced to one year in the State penitential palace. Etheridge was employed by a merchant named Haas to burn adjoining property. Haas was over-insured. A light sentence was given because the prisoner is dying of consumption.

—The Fidelity and Casualty Ins. Co. of New York, represented by Jas. R. Garniss in this city, now issues a new form of accident policy, to be known as "the co-partnership form." The design is to afford partners of mercantile houses the opportunity of protecting themselves against the withdrawal of capital by death. Two or more partners may obtain insurance on the lives of each other, the insurance to be paid to the survivor or survivors. The new policies are written only by the general agents of the company, on approved applications from locals and brokers. This will be a very valuable form of insurance to many merchants, who necessarily travel much of their time, and therefore encounter more than ordinary risks of accidental death.

—For a bound volume of the *Western Insurance Review*, of St. Louis, for 1885, we are indebted to Editor Aldrich of that excellent journal.

—The Kansas branch of the now defunct Texas Mutual Self-endowment and Benevolent Association has been held by the Emporia District Court to be a mutual insurance company, and not a benevolent association. It must therefore deposit \$50,000 with the Kansas State Treasurer, under the new law of that State. This decision, if sustained, will wipe out the fraud.

—The firm of John M. Berkey & Co., General Insurance Agents, Denver, Col., report a very successful business for the year just closed, their losses having averaged less than five per cent. of premiums received. This firm are General Agents for the South British and National, Union of San Francisco, and National of Ireland. T. T. Freth, who has the management of their fire insurance department, is well-known to many of our readers, and they will doubtless be pleased to hear of his success.

—"Pouring oil on the troubled waters" is a familiar quotation, but is generally supposed to contain more poetry than truth. Recent very thorough experiments by an officer of the Royal National Lifeboat Institution of England prove that small quantities of oil will greatly reduce the violence of ordinary waves that endanger the safety of small open boats. In the experiments made, the oil stopped the breaking of the rollers, leaving only the roll of a harmless swell; but in surf of sufficient force to be of importance to a lifeboat, or such breaks as are ordinarily encountered by them, this effect was much modified, and frequently entirely absent. The oil failed to have any effect on breakers caused by a heavy ground swell, and not by wind. In the open sea, the calming effect of the oil was much greater than near shore. Vessels are recommended to carry oil with perforated canvas bags for its distribution. Whalers understand the value of oil in calming the sea. The oil from a whale along side of a vessel always produces a very marked effect on the breakers, although it never entirely overcomes the swell of the sea.



—Elisha Risley, Superintendent of Agencies for the Connecticut Mutual Life Insurance Company, was on this Coast in December.

—The stockholders of the Firemans Fund Ins. Company have been notified that a meeting will be held at the office of the company, No. 401 California street, in this city, on Tuesday, March 2, 1886, to consider, vote upon and determine the proposition, whether or not the capital stock of that corporation shall be increased from \$750,000 to \$1,000,000.

—The *Insurance Monitor* began its thirty-fourth year with the January number. We are pleased to note that its vigorous editor and proprietor, C. C. Hine, promises to continue to preach "the gospel of insurance" better, even, than he has in the past. Brother Hine has just turned sixty, but his three-score years sit as lightly upon him as a maiden's smile. Long may the *Monitor* stand on guard, with its present publisher at the helm.

—The Mutual Self-Endowment and Benevolent Association of America, of Fort Worth, Texas, has failed to meet its obligations, and the furniture, fixtures, safes and contents, have been attached to satisfy a claim. It is reported that the Association owes nearly \$1,000,000. About 11,000 people were misled by the scheme which, like some of our California "Mutual Endowments," was begotten to fleece the unwary, and create fat salaries for its managers. It is thought that if a receiver is appointed, creditors will get an average of about one cent on the dollar.

—During Special Agent E. L. Watson's visit to this Coast last month, the agency of the Providence-Washington Fire Insurance Company was transferred from Franz Jacoby & Co. to Messrs. Hoyt & Wickes. The Providence-Washington has \$400,000 capital paid up, \$870,054 of gross assets, and does a yearly business of over three-quarters of a million in premiums. It is an old and well-established company of Providence, Rhode Island. In addition to it, the firm of Hoyt & Wickes have the city agency of the Oakland Home, Connecticut Fire, and Queen insurance companies.

—E. L. Watson, special agent for the Providence Washington Insurance Company, visited this city last month.

—John F. Ferris has been appointed Superintendent of the Pacific Department of the Union Mutual Life Ins. Co. of Maine, with his headquarters at Denver, Colo. The new department comprises a dozen States and Territories.

—Owing to the steady increase in the number of manufacturing enterprises in Philadelphia, the fire hazard is growing greater, while there is no similar advance in the fire department. The advisability of increasing rates is being considered by underwriters.

—Henry K. Field returned last month from a visit to Honolulu, whence he went in quest of better health, which he succeeded in finding. He returns equipped to start in the new year energetically, for the furtherance of the interests of the New England Mutual Life, which company he represents on this Coast.

—Recently the managers of the Sun, Law, Royal, North British, and other fire offices, met a committee of the Common Council in reference to the proposed appointment of an officer to be charged with the inquiry into the causes of fires in the city of London. The managers took up the position that the business of fire insurance companies was not to extinguish or prevent fires, but simply to indemnify owners for loss or damage; but that they would readily furnish information obtained in their own offices or by the London Salvage Corps maintained by them. They maintained, very properly, that the protection of life, limb, and property must attach to the public local authorities, and that the appointment or cost of a Fire Marshal, as in Germany or the United States, could not be undertaken by the fire insurance offices. Some of the managers thought that the duties of such an officer ought to extend to the whole metropolis, and that they should not be limited to investigating merely the causes of fires, but also the reasons of their spreading, such as defective construction of buildings, bad state of thoroughfares, defective water supply, or other causes.—*Insurance Journal*.

—F. V. Andrews and B. N. Barnett, of Portland, have dissolved partnership, Mr. Andrews continuing the agency. Mr. Barnett will give his attention to adjusting and soliciting.

—The annual meeting of the Fire Underwriters' Association of the Pacific "comes off" next month. The gentlemen who promised to prepare papers for the meeting have our sympathies.

—The Denver council, after a heated discussion, recently concluded to insure a hose house. The councilmen all thought that the firemen would prevent any serious loss, however. They had not heard of the California engine-house that was burned over the heads of the sleeping firemen.

—"The late Gov. Page, of Rutland," remarks the Springfield, Mass., *Republican*, "had about \$40,000 insurance on his life in the old companies, which he had carried for several years, and about twice as much in co-operative companies, which he had taken in the last year or two, when he could no longer get insurance in the solid companies."

—An English paper says that poplar is often despised as a timber, but it has one good quality—it is very slow to burn. Some years ago a factory at Nottingham took fire on the second floor, and burnt to the top furiously, but not downwards; although the floor was thickly covered with hot clinkers and melted machinery, yet the fire did not go downwards, because the floors were of poplar. Flooring of this kind should be poplar with underwriters.

—In a sermon on Vanderbilt, Henry Ward Beecher said:—"What I mean by being ready to die is being ready to live right, and the man that has grace to live right, need not be troubled but what he will have grace to die right. *I hold that an insurance on a man's life is a part of the highest religious duty; there is a great deal of crime committed by men who live as though they never expected to die. It is also a man's duty, if he has been prosperous in business, to settle on his wife a sum in such a manner that neither the law nor he himself can take it away from her.*"

—Vanderbilt neglected to insure his life. We can't draw any moral this time.

—Geo. Grant, who this year carries the *Knapack*, is prodding up the boys who promised to contribute.

—When a man mortgages his property he should not fail to take out a policy of life insurance for the same amount. If he dies during the life of the mortgage, his family can pay the debt. Life solicitors may find it profitable to consult the mortgage records..

—A veracious exchange announces that King Alfonso, of Spain, had his life insured for \$600,000. Another truthful exchange says the amount was only \$100,000. Neither knows anything about it. The Paris agency of the New York Life Insurance Company, in which it was claimed Alfonso was insured, deny emphatically that he held one of that company's policies. Alfonso was reputed to be rotten to the core physically, and it would have been a costly advertisement to accept him as a risk.

—"A Wall Street Bandit" is the title of a play recently produced in San Francisco. The panic of 1857 is the starting point, and the first scene transpires in the office of a life insurance company, which is momentarily expected to follow in the wake of other financial disasters. But a countryman named Jonathan Wayne, Sr., (McKee Rankin) opportunely comes in to renew a life insurance policy and the concern is thereby enabled to tide over the danger. It probably did not occur to the author, however, that the simple payment of premium on a \$10,000 life policy would be considered as a rather weak reed to support a toppling life insurance company. One particularly weak point in the tableaux is the renewal of a lapsed policy without a medical examination, especially as Dr. Ralston, the medical examiner (Fred de Belleville) is made a prominent character. The force of this will be more readily seen when it is further stated that Dr. Ralston acknowledges to the president of the company (Frank Mordaunt) that for four years he has known Jonathan Wayne, Sr., to be suffering from heart disease, and liable to die suddenly if unduly excited.—*Dramatic News.*

—The *Northwestern Miller* thus sums up the mill losses of the past year: A glance at the detailed statistics of the fire losses of last year in this country shows some interesting figures. The number of mills burned, including oatmeal, was 305, the average loss being \$12,356, and the total, \$3,767,055. On the sixty-two grain elevators burned the average loss was \$14,985, and the total, \$929,070. Of cooperage establishments seventy-three were burned, with an average loss of \$8,136, and a total of \$593,928. Of bakeries, 217 were burned, with an average loss of \$2,679, and a total of \$581,343.

—The *Weekly Underwriter* notes that "the Anglo-American wild-cat wants \$100,000 from the commissioners of the District of Columbia for 'trespass.' The alleged trespass consisted in entering and seizing the concern's office in January last for non-payment of taxes. When the Anglo-American gets the \$100,000 perhaps it will pay the Michigan, Quebec and Southern claims, which it is owing, among others." The Anglo-American is one of the "Tows" that are howling for cheap building risks in the wilds of Idaho.

--John A. McCall, Jr., Superintendent of the Insurance Department of New York, resigned that office on December 26th, last, and has accepted the position of "Comptroller" of the Equitable Life, whatever that may be. Governor Hill, in accepting Mr. McCall's resignation, paid the retiring Superintendent a high compliment. Among other things he said: "I had hoped to have associated with me in the administration of State affairs during my entire term of office, you, who have so acceptably risen through every position in the department over which latterly you have presided with such signal ability. Your selection as Superintendent in 1883 was urged by, and was most satisfactory to the great financial interests over which your department has the supervision, and your appointment met the unqualified approbation of the people of the State, whose faithful servant and trustee you had already shown yourself. Your management of the department has conclusively proved that this confidence was well placed."

—A man named Bower has been utilizing his wives to secure insurance money. The law has just euhred him by playing the joker on the bower and scooping in the game.—*Insurance News*.

—"Who is that man who has just abused the life insurance companies so roundly?" was asked by one member of another member of a fraternal insurance society, at a recent meeting in this city. "Oh, that is So-and-so. He organized a council in Berkeley to-day, for which he received seventy-five dollars."

—On the morning of the 30th ult., at three o'clock, three masked men entered the engine-room of the Marshal Coal Company's works at Erie, on the Colorado Central Railroad, forty miles from Denver, captured the engineer, took him several hundred yards away and tied him. Then they returned and set fire to all the coal oil dumps, the hoisting works, engine-house, the tramway, and several cars of the railroad company. They completely destroyed over \$15,000 worth of property, throwing several hundred men out of employment. Three weeks ago the wages of the men at these mines were cut down.

—Sam. Bates, a live "special," and a stalwart stage-driver had a lively discussion "wid fishts" at Merced, recently. First round—Sam led off with his left and took Jehu a clip on the right blinker. Jehu countered heavily on Sam's cheek, dislocating Jehu's arm at the shoulder. Round 2—Sam kicked Jehu violently abaft. Jehu returned the salute with a chair, which was smashed against Sam's other cheek [Mem., \$1.50 expense acct]. Round 3—Ground and lofty tumbling; catch-as-catch-can, Græco-Roman and Japanese style. Sam proved to be a regular Ko Ko, and soon had Yum yum Jehu flat on his back, Sam astride his grub-basket. Jehu with a half-Nelson lock escaped impending demolishment. (All bets now declared off. Foul claimed by Jehu, but disallowed.) Jehu refused to proceed, and when last seen was pointing towards Bear Creek, searching for a bath. Sam, flushed, triumphant, slightly disfigured and still in the ring, remained to receive congratulations.



—Application was made to an agent of the Continental in Georgia for insurance, and the agent was paid \$22 in premiums and installment notes, on condition that they should be returned if the application was refused. The company declined, but the agent neglected to notify the insured, and the property burned. The company had thirty days in which to consider the application, and they had not expired. It was held in the Georgia Supreme Court, last month, in the case of *Gibson v. Continental Ins. Co.*, that the company was not liable for its agent's delay.

—The Supreme Court of Texas rendered an important decision recently under the valued policy law of that State, holding that the provisions of the law cannot be evaded by any policy stipulation which would reduce the claim below the full amount insured in the contract. In the case at bar, the policy stipulated that in case of total loss, the insured should bear one-fourth of the loss. The Court ruled this to be void, saying: "The language of the statute is clear, and its purpose evidently was to make all policies on real property, in case of total loss, valued policies, without reference to stipulations contained in them which would give them a different character but for the statute, which becomes a part of every such contract. By force of the statute, when the loss is total, the policy evidences a liquidated demand against the company issuing it for its full amount."

—A New Yorker made several "specs" out of the insurance companies by charring wardrobes and closets, and scorching wearing apparel, and claiming great damages. He has been arrested.

—Z. P. Clark, the well-known special agent and adjuster, has been promoted to the rank of Assistant Adjutant-General, National Guard of California, and Chief of Staff to General Dimond. The commission was presented to Mr. Clark on Christmas Day, and was a pleasant token of the esteem in which he is held by the powers that be.

—F. R. Berg, cashier for Messrs. Gutte & Frank's general insurance agency, was the first to file the annual statement of California business transacted in 1885, with the Insurance Commissioner. The figures of the five companies represented by Gutte & Frank's agency were handed in by Mr. Berg, on the afternoon of December 31st.

—In an English proposal for life assurance, the word "residence" is not to be construed as meaning the place where the person to be assured has resided during his life, or where he is going to reside, but the place where he is residing at the time the proposal is made. Where, therefore, a person declared, in a form of proposal for an assurance, that his residence was at a certain place, being the place where he was actually staying at the time, but his permanent residence was really elsewhere, it was held that this was not a statement contrary to the truth which would invalidate the policy.

INCORPORATED 1872.

# BOYLSTON MUTUAL

Insurance Company,

No. 30 KILBY ST.

BOSTON.

W. GLOVER, Secretary.

J. W. BALCH, President.

*H. M. NEWHALL & CO., General Agents,*  
SAN FRANCISCO, CAL.

## TABULAR STATEMENT

# PACIFIC COAST FIRE INSURANCE BUSINESS

## FOR THE YEAR ENDING DECEMBER 31st. 1885.

NAME OF COMPANY				LOCATION	EXPORTS AND AGENTS	SAN FRANCISCO	CALIFORNIA BUSINESS.				TOTAL PACIFIC COAST BUSINESS.				
							PREMIUM RECEIPTS.	WRITTEN.	LOSSES PAID.	RATIO OF LOSSES PAID TO PREMIUM RECEIVED.	AMOUNT WRITTEN.	PREMIUMS ON SALES.	LOSSES PAID.	RATIO OF LOSSES PAID TO PREMIUM RECEIVED.	
CALIFORNIA COMPANIES															
Anglo Nevada	San Francisco	Wm. A. Latham	\$2,000	\$2,000	\$2,000	\$2,000	100.00	\$2,000	\$2,000	\$2,000	100.00	\$2,000	\$2,000	\$2,000	100.00
California Fire	San Francisco	Wm. A. Latham	3,000	3,000	3,000	3,000	100.00	3,000	3,000	3,000	100.00	3,000	3,000	3,000	100.00
Central Pacific	San Francisco	Wm. A. Latham	4,000	4,000	4,000	4,000	100.00	4,000	4,000	4,000	100.00	4,000	4,000	4,000	100.00
Continental	San Francisco	Wm. A. Latham	5,000	5,000	5,000	5,000	100.00	5,000	5,000	5,000	100.00	5,000	5,000	5,000	100.00
Fire Association	San Francisco	Wm. A. Latham	6,000	6,000	6,000	6,000	100.00	6,000	6,000	6,000	100.00	6,000	6,000	6,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	7,000	7,000	7,000	7,000	100.00	7,000	7,000	7,000	100.00	7,000	7,000	7,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	8,000	8,000	8,000	8,000	100.00	8,000	8,000	8,000	100.00	8,000	8,000	8,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	9,000	9,000	9,000	9,000	100.00	9,000	9,000	9,000	100.00	9,000	9,000	9,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	10,000	10,000	10,000	10,000	100.00	10,000	10,000	10,000	100.00	10,000	10,000	10,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	11,000	11,000	11,000	11,000	100.00	11,000	11,000	11,000	100.00	11,000	11,000	11,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	12,000	12,000	12,000	12,000	100.00	12,000	12,000	12,000	100.00	12,000	12,000	12,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	13,000	13,000	13,000	13,000	100.00	13,000	13,000	13,000	100.00	13,000	13,000	13,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	14,000	14,000	14,000	14,000	100.00	14,000	14,000	14,000	100.00	14,000	14,000	14,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	15,000	15,000	15,000	15,000	100.00	15,000	15,000	15,000	100.00	15,000	15,000	15,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	16,000	16,000	16,000	16,000	100.00	16,000	16,000	16,000	100.00	16,000	16,000	16,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	17,000	17,000	17,000	17,000	100.00	17,000	17,000	17,000	100.00	17,000	17,000	17,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	18,000	18,000	18,000	18,000	100.00	18,000	18,000	18,000	100.00	18,000	18,000	18,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	19,000	19,000	19,000	19,000	100.00	19,000	19,000	19,000	100.00	19,000	19,000	19,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	20,000	20,000	20,000	20,000	100.00	20,000	20,000	20,000	100.00	20,000	20,000	20,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	21,000	21,000	21,000	21,000	100.00	21,000	21,000	21,000	100.00	21,000	21,000	21,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	22,000	22,000	22,000	22,000	100.00	22,000	22,000	22,000	100.00	22,000	22,000	22,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	23,000	23,000	23,000	23,000	100.00	23,000	23,000	23,000	100.00	23,000	23,000	23,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	24,000	24,000	24,000	24,000	100.00	24,000	24,000	24,000	100.00	24,000	24,000	24,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	25,000	25,000	25,000	25,000	100.00	25,000	25,000	25,000	100.00	25,000	25,000	25,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	26,000	26,000	26,000	26,000	100.00	26,000	26,000	26,000	100.00	26,000	26,000	26,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	27,000	27,000	27,000	27,000	100.00	27,000	27,000	27,000	100.00	27,000	27,000	27,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	28,000	28,000	28,000	28,000	100.00	28,000	28,000	28,000	100.00	28,000	28,000	28,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	29,000	29,000	29,000	29,000	100.00	29,000	29,000	29,000	100.00	29,000	29,000	29,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	30,000	30,000	30,000	30,000	100.00	30,000	30,000	30,000	100.00	30,000	30,000	30,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	31,000	31,000	31,000	31,000	100.00	31,000	31,000	31,000	100.00	31,000	31,000	31,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	32,000	32,000	32,000	32,000	100.00	32,000	32,000	32,000	100.00	32,000	32,000	32,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	33,000	33,000	33,000	33,000	100.00	33,000	33,000	33,000	100.00	33,000	33,000	33,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	34,000	34,000	34,000	34,000	100.00	34,000	34,000	34,000	100.00	34,000	34,000	34,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	35,000	35,000	35,000	35,000	100.00	35,000	35,000	35,000	100.00	35,000	35,000	35,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	36,000	36,000	36,000	36,000	100.00	36,000	36,000	36,000	100.00	36,000	36,000	36,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	37,000	37,000	37,000	37,000	100.00	37,000	37,000	37,000	100.00	37,000	37,000	37,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	38,000	38,000	38,000	38,000	100.00	38,000	38,000	38,000	100.00	38,000	38,000	38,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	39,000	39,000	39,000	39,000	100.00	39,000	39,000	39,000	100.00	39,000	39,000	39,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	40,000	40,000	40,000	40,000	100.00	40,000	40,000	40,000	100.00	40,000	40,000	40,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	41,000	41,000	41,000	41,000	100.00	41,000	41,000	41,000	100.00	41,000	41,000	41,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	42,000	42,000	42,000	42,000	100.00	42,000	42,000	42,000	100.00	42,000	42,000	42,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	43,000	43,000	43,000	43,000	100.00	43,000	43,000	43,000	100.00	43,000	43,000	43,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	44,000	44,000	44,000	44,000	100.00	44,000	44,000	44,000	100.00	44,000	44,000	44,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	45,000	45,000	45,000	45,000	100.00	45,000	45,000	45,000	100.00	45,000	45,000	45,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	46,000	46,000	46,000	46,000	100.00	46,000	46,000	46,000	100.00	46,000	46,000	46,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	47,000	47,000	47,000	47,000	100.00	47,000	47,000	47,000	100.00	47,000	47,000	47,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	48,000	48,000	48,000	48,000	100.00	48,000	48,000	48,000	100.00	48,000	48,000	48,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	49,000	49,000	49,000	49,000	100.00	49,000	49,000	49,000	100.00	49,000	49,000	49,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	50,000	50,000	50,000	50,000	100.00	50,000	50,000	50,000	100.00	50,000	50,000	50,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	51,000	51,000	51,000	51,000	100.00	51,000	51,000	51,000	100.00	51,000	51,000	51,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	52,000	52,000	52,000	52,000	100.00	52,000	52,000	52,000	100.00	52,000	52,000	52,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	53,000	53,000	53,000	53,000	100.00	53,000	53,000	53,000	100.00	53,000	53,000	53,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	54,000	54,000	54,000	54,000	100.00	54,000	54,000	54,000	100.00	54,000	54,000	54,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	55,000	55,000	55,000	55,000	100.00	55,000	55,000	55,000	100.00	55,000	55,000	55,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	56,000	56,000	56,000	56,000	100.00	56,000	56,000	56,000	100.00	56,000	56,000	56,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	57,000	57,000	57,000	57,000	100.00	57,000	57,000	57,000	100.00	57,000	57,000	57,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	58,000	58,000	58,000	58,000	100.00	58,000	58,000	58,000	100.00	58,000	58,000	58,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	59,000	59,000	59,000	59,000	100.00	59,000	59,000	59,000	100.00	59,000	59,000	59,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	60,000	60,000	60,000	60,000	100.00	60,000	60,000	60,000	100.00	60,000	60,000	60,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	61,000	61,000	61,000	61,000	100.00	61,000	61,000	61,000	100.00	61,000	61,000	61,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	62,000	62,000	62,000	62,000	100.00	62,000	62,000	62,000	100.00	62,000	62,000	62,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	63,000	63,000	63,000	63,000	100.00	63,000	63,000	63,000	100.00	63,000	63,000	63,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	64,000	64,000	64,000	64,000	100.00	64,000	64,000	64,000	100.00	64,000	64,000	64,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	65,000	65,000	65,000	65,000	100.00	65,000	65,000	65,000	100.00	65,000	65,000	65,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	66,000	66,000	66,000	66,000	100.00	66,000	66,000	66,000	100.00	66,000	66,000	66,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	67,000	67,000	67,000	67,000	100.00	67,000	67,000	67,000	100.00	67,000	67,000	67,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	68,000	68,000	68,000	68,000	100.00	68,000	68,000	68,000	100.00	68,000	68,000	68,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	69,000	69,000	69,000	69,000	100.00	69,000	69,000	69,000	100.00	69,000	69,000	69,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	70,000	70,000	70,000	70,000	100.00	70,000	70,000	70,000	100.00	70,000	70,000	70,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	71,000	71,000	71,000	71,000	100.00	71,000	71,000	71,000	100.00	71,000	71,000	71,000	100.00
Fire Insurance	San Francisco	Wm. A. Latham	72,000	72,000	72,000	72,000	100.00	72,000	72,000	72,000	100.00	72,000	72,0		

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# THE COAST REVIEW

A MONTHLY JOURNAL

DEVOTED TO

FIRE, MARINE, LIFE AND ACCIDENT INSURANCE.

J. G. EDWARDS, PROPRIETOR,

320 Sansome St., (Room 14), San Francisco, Cal.

(Take the Elevator.)

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## Digest of Recent Insurance Decisions.

### FIRE.

INTEREST OF INSURED.—*Davis v. Iowa State Insurance Co.*; Iowa S. C., December 10, 1885.—A clause in the policy provided that certain conditions printed upon the back of it constituted a part thereof. One of these conditions was in the following language: "If the interest of the property to be insured be a leasehold interest, or other interest not absolute, it must be so stated in the policy, otherwise the same shall be void." The policy also referred to the application of the assured as forming a part thereof. In this application the insured stated that no person, other than herself, was interested in the property. *Held*, That the plaintiff holding not the absolute interest—the fee simple title—but a life estate, the condition of the policy declaring that if her interest was not disclosed the policy shall be void, is broken, and by the terms of the policy no recovery can be had.

BREACH OF CONDITIONS—MISDESCRIPTION. *O'Brien v. South British Insurance Co.*, Supreme Court New Zealand, December, 1885. Plaintiff claimed £200 under a contract of insurance on two stacks of hay. In the pro-

posal it was stated that the two stacks were 25 yards apart, but as a fact they were not more than from 20 to 25 feet apart. *Held*, That the interim receipt held by plaintiff made the proposal signed by him and the conditions upon the policy a part of the contract of insurance. This proposal manifestly misdescribed the state of the property which invalidated the contract. Judgment for defendants.

VACANCY.—Ky. C. of A., January, 1886  
Where a policy of fire insurance describes the house insured as 'occupied as a family residence,' and by a subsequent clause provides that the policy shall become void if the house 'shall be or become vacant or unoccupied,' the words 'occupied as a family residence' must be regarded as but a representation as to the then use of the house, and the subsequent words as but an undertaking by the insured that the house shall not be without an occupant during the time covered by the policy. *Held*, That such a policy did not become void upon the house insured ceasing to be occupied as a family residence, it continuing to be occupied by one person, who had access to the entire building for the purpose of caring for it.

VERDICT OF JURY.—*Ibid.*—The finding of facts by a jury in answer to questions submitted to them in writing, constitutes a special verdict, and to entitle the plaintiff to judgment upon such a verdict it is not necessary that the jury should declare that if, upon the facts found, the plaintiff is entitled to recover, he is entitled to a certain sum, naming it, or that his damages are so much. It is not necessary for the jury to find facts which are not in issue. In an action upon a policy of insurance, it was admitted that the parties had, by agreement through arbitrators, fixed the entire loss, but the amount of the award was in issue. The jury found the amount fixed by the arbitrators, which was greater than the amount of the policy. *Held*, That upon this verdict the court was authorized to render judgment for the amount of the policy, the question as to the amount for which judgment should be rendered being,

under the circumstances, merely a legal one, and involving no question of fact.

HORSES "RUNNING IN PASTURE."—Bright v. Ins. Co., Minn. S. C.—Defendant insured plaintiff against loss or damage by fire "on his horses and colts while in barn, and by lightning only while in use, or running in pasture or yard on his farm, in the town of La Suer." *Held*, That the risk against lightning while the horses were "in use," or "running in pasture," was not limited to the farm occupied by plaintiff at the date of the issue of the policy, but extended to any place in the town of La Suer.

CO-INSURANCE.—Chesbrough & Charlton v. Home Ins. Co., Mich. (Bay City) C. C., December, 1885.—A co-insurance clause in the policy read as follows:

"It is a part of the consideration of this policy, and the basis upon which the rate of premium is fixed, that the assured shall maintain insurance on the property hereby insured by this policy, to the extent of four-fifths of the actual cash value thereof, and failing so to do, the assured shall be a co-insurer to the extent of such deficit, and in that event shall bear his, her or their proportion of any loss. It is, however, mutually understood and agreed, that in case the total insurance shall exceed four-fifths of the whole actual cash value of the property insured by this policy, the assured shall not recover from this company more than its *pro rata* share of four-fifths of the whole actual cash value of such property."

The insurance was \$19,000. Four-fifths of the cash value of the property was \$29,000, leaving a deficit which the companies claimed should determine the risk to be borne by the assured. The loss was \$6,000, and the apportionment made by the companies was that they should bear nineteen parts and the assured ten parts. The firm brought suit to obtain a legal definition of the words, "a co-insurer to the extent of such deficit." *Held*, That the clause is ambiguous, uncertain and misleading, and liable to a double construction. Under all the rules of law, the insurance companies making the contract must be held liable for failure to make it clear and explicit. *Held*

That the clause is entitled to be construed that the assured were only co-insurers to the extent of the deficit and not on the entire risk; that the clause in dispute distinctly defined and limited their interest as co or joint insurers with the insurance companies, and that the amount of loss chargeable to the deficit must be borne jointly by the parties to the contract. This would make the insurance companies in the case liable for 19-29ths of the loss, and also one-half of 10-29ths as joint insurers with the assured, and the policy-holders would assume one-half of 10-19ths as "co-insurers to the extent of the deficit." The case goes to the State Supreme Court.

**OCCUPANCY.**—*Fitzgerald v. Ins. Co.; Wis. S. C.*—A dwelling house on a farm which is not occupied, except by the men working the farm during the time they are so employed for cooking their meals and sleeping, is not occupied within the meaning of a policy of fire insurance that provides that buildings unoccupied shall not be covered by the policy.

#### MARINE.

**MACHINERY.**—*Hamilton v. Thames and Mersey Marine Ins. Co.; English S. C., December 15, 1885.*—This was a special case stated to obtain a decision upon a question arising out of a policy of marine insurance upon the *Inchmaree* steamship, upon the hull and machinery, "including donkey-engines, boilers, pumps, and all connections." The perils insured against were also stated in the usual form: "of the seas, men-of-war, &c., and of all other perils, losses, and misfortune that had or should come to the hurt, de riment, or damage of the subject-matter, or any part thereof." The question was, whether the insurers were liable in respect of loss to the machinery arising out of a cause due either to negligence of the crew or to mere accident. During the continuance of the policy, while the ship was at anchor, it became necessary to pump out the main boilers by means of the donkey engine, in the usual manner. The pump and machinery were in perfectly good condition, but by some means a valve which should have been left open was

either closed or choked. In consequence of this the air-chamber in the pump became overcharged and burst, and the pump was damaged. The parties were not agreed as to whether the valve was closed by the carelessness of some one of the crew or was accidentally choked; but the underwriters contended that in neither case were they liable, the damage being due to a cause not within the policy. *Held*, That the machinery was clearly within the terms of the policy, and this was clearly within the risks insured against.

**PARTICULAR AVERAGE.**—*Stewart v. Merchants' Marine Ins. Co.; Eng. S. C., Dec. 7, 1885.*—The defense was, that the damage was a particular average loss not exceeding the limit excluded by this clause: "All other goods, also the ship and freight, shall be and are warranted free from average under three per cent., unless the ship be stranded, sunk or burnt." Defendants alleged that no particular loss amounting to or exceeding three per cent. on either valuation, separately or on the whole, occurred during any one voyage in the time covered by policy, and that the loss was the aggregate of several distinct particular average losses to the ship, each of which occurred during a separate voyage. This aggregate was admittedly in excess of three per cent. of the value of the ship, and all the losses occurred during the life of the policy. The question was, whether all the losses which had happened on separate and distant voyages were to be added together, or whether each was to be dealt with separately, in which case, each being under three per cent., nothing could be recovered in respect of any one loss.

*Held*, That with respect to a voyage policy on goods, it had been decided that average losses, although distinct, which have occurred on the same voyage are to be added together, in order to see whether the aggregate exceeds the 3 per cent. The same had been decided in *Blackett v. Royal Exchange Company*, with reference to a voyage policy on a ship. In America there are two conflicting decisions. In old days, no doubt, 3 per cent. was a fair sum to cover only small losses. But now ships have increased in



size and value, that sum would cover very considerable losses. But with that idleness which is peculiar in business transactions, merchants and insurers had not taken the trouble to alter the percentage. However, that could not alter the law, and the memorandum must be construed as in 1748, when it was introduced, and when a time policy might have been for more than a year, although for revenue purposes it could now be only for a year.

*Held*, That with reference to the cases, his Lordship was of opinion that in the case of a voyage policy on a ship, the decisions in *Blackett v. Royal Exchange Assurance Company*, and the American case of *Donnell v. Col. Insurance Company*, (2 Sumn. 366) were to be adopted, and average losses in each voyage must be added together, in order to see whether a case is taken out of the exception. Those cases were decided on the rules of construction applicable in the case of ordinary instruments, but the question was whether those rules should be applied to such instruments as policies of insurance and charter parties are known to be in England and America. Nothing could be imagined more uniformly unartistic, ungrammatical, or more different to other contracts than such documents, for they contain numberless distinct stipulations, and almost distinct contracts.

*Held*, That in a time policy the separate and distinct voyage was the period to be considered for that purpose, but that in a voyage policy the period is the whole period covered by the policy. Therefore, as the losses in question had occurred in separate and distinct voyages, and none of them amounted to the three per cent., the case was not taken out of the exception. Therefore, the assured was not entitled to recover in respect of any one of them, and the appeal should be allowed.

#### ASSESSMENT.

**BENEFICIARY ENTITLED ONLY TO SUM ACTUALLY COLLECTED.**—Application of *Le Solidante Mutual Beneficial Association* to disincorporate; Cal. S. C., Jan. 27, 1886.—Eliza Little objected to the association's application for leave to disincorporate, because she had an unpaid claim. Her husband, a

member in good standing, died, leaving his widow a claim for \$355, under the rules of the association, there being three hundred and fifty-five members. She received only \$150. The Court ruled that she was entitled to the latter sum only, that being the amount collected.

#### A California Supreme Court Decision.

The original insurer has no power, under the authority conferred upon it to defend an action for the reinsurer and itself, to compromise and settle a claim so as to bind the reinsurer, unless the latter has knowledge of the compromise and consents to it or approves of it.

**REINSURANCE.—LIABILITY OF REINSURING COMPANY.**—Commercial Union Assurance Co. v. American Central Insurance Co.; Cal. S. C., January 28, 1886.—Appeal from a judgment of nonsuit.—From the record on appeal it appears that the Commercial Union Assurance Company issued a policy of fire insurance to W. B. Bartlett for the benefit of Alexander Forbes, doing business under the name of Forbes Brothers, upon a building known as the Eureka Odd Fellows' Association Building, in Eureka, State of Nevada, and afterward, on the same day, insured itself in the American Central Insurance Company against the risk which it had taken.

After some months the insured building was destroyed by fire. The person entitled to the benefit of the insurance gave notice of the loss to his insurer, who notified the reinsurer, and the two companies, upon consultation, came to the conclusion that the claim presented for loss was illegal and unjust, and refused to pay. Forbes Bros. thereupon brought an action against the original insurer to recover the loss, of which the reinsurer was notified; and the two companies again agreed that the action should be resisted and contested, and that the original insurer, as defendant in the action, should have the conduct, management and control of the contest for itself and as agent of the reinsuring company.

Pursuant to that agreement, the defendant in the action filed an answer, and made some preparations for trial, but never brought the case to trial. On the contrary,

pending the action, it abandoned the defense of it, compromised and settled the claim with the plaintiff, had the action dismissed, and then brought the action in hand to recover from the reinsurer its *pro rata* proportion of the moneys paid, and the costs and expenses incurred in the original action.

The policy of reinsurance was a contract of indemnity to the original insurer against liability for the risk it had taken (Sec. 2,646, C. C.); and when the loss occurred by the destruction of the insured property, it became a question whether the insurers were liable to pay the claim which was presented for the loss. Both the original and reinsurer determined that no liability to pay attached; and agreed that the action brought to recover the loss should be defended. For that purpose the original insurer was authorized to act as agent of the reinsurer in making its defense; and it was bound, in the exercise of its authority, to defend the action until the question of liability was adjudicated. (Sub. 4, Sec. 2,778, C. C.) Any judgment rendered against it in the action would have conclusively established its liability, and also the liability of the reinsurer upon its policy, for it is a well settled rule that where one is bound to protect another from liability, he is bound by the result of a litigation to which such other was a party, provided he had notice of the litigation and opportunity to control and manage it; the rule being subject to the qualification that the litigation must have been carried on without fraud or collusion, and conducted in a reasonable manner. (*Le Blanch v. Wilson*, 8 Com. Pl., 227; *Globe Mut. Ins. Co.*, 35 Penn. St., 479; *Robbins v. City of Chicago*, 4 Wall., 657).

But the original insurer did not defend the action, and there was no adjudication of the question of liability. In its control and management of the action, it acknowledged its liability by abandoning all defenses to it, and compromised and settled with the party it had insured. This it had a right to do, so far as the question of its own liability was concerned; and as there was no privity of contract between the original insured and the reinsured, the latter could not legally object to or prevent such a com-

promise. (Sec. 2,649, C. C.) But the original insurer had no power, under the authority conferred upon it to defend the action for the reinsurer and itself, to compromise and settle the claim so as to bind the reinsurer, unless the latter had knowledge of the compromise and consented to it or approved of it. (*Preston v. Hill*, 50 Cal., 43.)

In that particular the plaintiff failed to make out a case. The fact is admitted by the pleadings that the compromise, settlement and payment of the original claim were made on the 12th of September, 1881, and evidence offered by the plaintiff showed that the reinsurer had no knowledge of the compromise, settlement and payment until several days after they were made, when it heard of them by a verbal notice given to its chief clerk by one of the clerks of the plaintiff; and upon that informal notice it objected and protested against the compromise.

The plaintiff failed to make out a case, and the Court properly granted a nonsuit. Judgment and order affirmed.

McKEE, J.

### Barratry.

In a case before a New Zealand court, the attorneys for the defendant discussed barratry as follows:

Barratry was originally fraud or criminal knavery against the master—*Arnould on Marine Insurance*, 7th Ed. p. 760, and see *Vallejo v. Wheeler*, Cow. 143, *Wort v. Bondieu*, 1 T. R. 323, *Lockyer v. Offley*, 1 T. R. 252. And though this is said to have been modified in *Earle v. Rowcroft*, 8 East 126, yet that modification only extended to making unnecessary to show fraud or covin against the owner, and left barratry still what Lord Ellenborough there called it, "a wilful act of known criminality or gross malversation." And this definition has been expressly affirmed by Lord Blackburn in *Cory v. Burr*, L. R. 8 App. Cases 393 (p. 399). The same element of fraud is recognized in American decisions. (See the cases cited in *Sansum's Digest*, pp. 195 *et seq.*) As in *Lawson v. Sun Insurance Co.*, 2 Cush. 500, *Diderer v. Delaware Insurance Co.*, 2

Wash. C. C. 61, Germania Insurance Co. v. Sherlock, 25 Ohio, 35, no amount of negligence will in itself be barratry (Grill v. General Iron Screw Co., L. R., C. P. 600).

We submit that an act causing loss to owner or freighters to be barratrous must be (1) in itself a wilful breach of a positive law, or (2) so obviously a malicious act as to leave no doubt of its character, or (3) being in itself neither illegal nor obviously fraudulent, it is shown to be done from an improper motive, which may be either to injure the owners or to benefit himself. (See Earle v. Rowcroft, vide sup., 139.) The first class of cases included such as seizure while smuggling (Cory v. Burr, L. R., 8 Q. B. D. 313, 9 Q. B. D. 463, Lockyear v. Offley, T. R. 252), trading with an enemy (Earle v. Rowcroft, vide sup.), shipping Polynesian laborers (Australian Insurance Co. v. Jackson, 33 L. T. R., 286), and to that class obviously belonged Knight v. Cambridge, 1 Str., 581, the case of a vessel leaving harbor without paying dues, it having been there held that the declaration which was for *fraudem et negligentiam* would have been bad if laid *per fraudem aut negligentiam*.

It is important to notice that in all these cases it was not the mere fact that the act was criminal, but that it was a criminality which involved the forfeiture of ship or cargo, which made the act barratrous. Criminality *per se* does not make the act barratrous (Grill v. General Iron Screw Co., L. R., 1, C. P., 600).

As to the third class acts not in the face of them criminal or fraudulent. In such cases proof must be given of a "fraudulent or criminal intent on the part of the master either secretly to benefit himself or to injure his owners, before such act can be adjudged barratrous" (Arnould, p. 761).

It is to be noticed that this excludes acts done for the intended benefit of the owner. Such acts can only be barratrous where the act is *per se* criminal, because in no other case can an act done for the intended benefit of owner be "fraudulent."

Deviation, no matter how obviously injudicious, reckless, and imperilling the policy, cannot be barratry unless fraudulent, "for

unless they be accompanied with fraud or crime, no case of deviation will fall within the true definition of barratry as above laid down" (Lord Ellenborough in Earle v. Rowcroft, vide sup., p. 139), and see Phyn v. Royal Exchange Co., 7, T. R. 505, and Vallojo v. Wheeler Cowp., 143, where it is said deviation must be "voluntary, illegal, and fraudulent" to be barratrous.

### Report of the Underwriters' Fire Patrol.

The eleventh annual report of the Underwriters' Fire Patrol of San Francisco has issued from the press, and is now in the hands of members. The directors report the Patrol to be in first-class working order, and refer with pleasure to the continued co-operation and good will existing between the officers and members of the Fire Department and the Patrol.

The directors elected for the present year are Messrs. Dickson, Easton, Landers, Laton, Macdonald, Mann and Potter. The officers are: President, Chas. A. Laton; Vice President, Robt. Dickson; Secretary and Treasurer, W. J. Landers.

The force consists of a Captain, two Lieutenants and twelve Patrolmen, divided into two stations. There is also an Inspection Bureau, recently added, consisting of a Surveyor and two Assistant Surveyors. The surveying capacity is under 500 blocks per year. Between the 15th of November and January 1st, 1,622 surveys were made, covering 61 blocks. There were 1,422 complaints served for infringement of city fire ordinances, of which 554 were abated. The Bureau will doubtless prove a valuable adjunct of the Patrol.

#### GRADES OF LOSSES.

The losses are graded as follows:

No.	Losses.	Aggregate.	Average.
105	Under \$100	\$2,559 05	\$24 37
58	\$100 to \$1,000	22,374 17	385 76
34	1,000 to 10,000	101,648 66	2,989 66
5	10,000 to 20,000	63,628 41	13,105 68
2	20,000 to 30,000	43,934 87	21,967 44
3	30,000 to 40,000	124,991 85	41,663 95
3	over 50,000	686,365 44	

The three fires whereat the loss was over \$50,000 were, as follows:



January 30, 1885 19 to 49 Beale street, occupied by Holt Bros. carriage trimmings; White Bros., hardwood lumber; loss, \$55,-432.44.

September 2, 1885—Fourth, Bryant and Silver streets; dwellings, factories and stores; loss, \$76,577.20.

October 8, 1885—Crocker's, Bush street, Sansome and Sutter streets; loss, \$554,-355.80.

#### MONTHLY INSURANCE LOSSES.

The following figures show the losses by months on buildings and contents, separately and together:

	Buildings.	Contents.	Aggregate.
January.....	\$9,122 34	\$51,193 96	\$60,216 30
February.....	3,893 00	9,752 44	13,645 44
March.....	2,598 00	14,570 62	17,168 62
April.....	10,550 50	21,390 10	31,940 60
May.....	13,296 80	6,471 70	19,768 50
June.....	13,172 25	77,011 76	90,184 01
July.....	7,334 25	91,840 75	99,175 00
August.....	9,333 10	5, 90 45	14,773 95
September.....	7,762 33	21,783 37	29,535 70
October.....	5,600 20	378,356 30	383,956 50
November.....	460 00	985 30	1,445 30
December.....	3,148 50	46,220 65	49,369 15
Totals.....	\$106,311 67	\$674,967 40	\$781,279 07

#### RESULTS.

The results may be summed thus:

Buildings—Insurance.....	\$815,508 00
Property loss.....	204,870 52
Insurance loss.....	106,311 67

Contents—Insurance.....	\$2,251,259 92
Property loss.....	821,195 70
Insurance loss.....	674,967 00

Totals—Insurance.....	\$3,066,762 00
Property loss.....	1,026,066 22
Insurance loss.....	781,278 67
Uninsured loss.....	244,787 15

#### INSURANCE LOSS FOR FOUR YEARS.

The total insurance losses in San Francisco for four years were:

1882.....	\$337,846 51
1883.....	603,322 17
1884.....	415,097 72
1885.....	781,278 67

#### CLASSIFICATION OF RISKS.

Risks in which fire occurred are classified as follows:

Art gallery.....	1	Laundries.....	3
Bakeries.....	4	Lumber yard.....	1
Brewery.....	1	Leather store.....	1
Blacksmith shop.....	1	Millinery store.....	1
Blind factory.....	1	Machine shop.....	1
Coal office.....	1	Mattress factory.....	1
Coffee and spice mills	3	Music hall.....	1
Carload of hay.....	1	Nickel works.....	1
Cigarette factory.....	1	On wharf.....	1
Chinese shoe factories	2	Paint shop.....	1
Chinese wash-houses.	6	Pocket-book factories	2
Chinese stores.....	3	Paint works.....	2
Chinese match fact'y.	1	Picture frame factory	1
Cigar store and fact'y	1	Printing houses.....	2
Clothing stores.....	3	Railroad track.....	1
Carpenter shop.....	1	Restaurants.....	7
Chemical works.....	1	Shipwright yard.....	1
Cooper shop.....	1	Stove foundry.....	1
Dwellings.....	108	Street corners.....	2
Dry goods stores.....	2	Saloons.....	5
Dental rooms.....	1	Shoe stores.....	2
Drug stores.....	2	Shoe factory.....	1
Dress maker's room..	1	Smoke houses.....	2
Dye houses.....	2	Stables.....	13
Flour mill.....	1	Shirt factory.....	1
Fruit store.....	1	Soap factory.....	1
Ferry house.....	1	Steamships.....	2
Fancy goods store... 1	1	Skating rink.....	1
Hotels.....	2	Tanneries.....	2
Hay barns.....	2	Tailor shop.....	1
Insurance offices.....	2	Varnish factory.....	1
Iron foundries.....	2	Wood and coal yard..	1
Junk store.....	1	Willow works.....	1
Jewelry store.....	1		
Lamp store.....	1	Total.....	247
Lodging houses.....	18		

#### CAUSES OF FIRES.

The various causes of fires are given as follows:

Alcohol lamp.....	1
Burning chimneys.....	24
Boiling over kettle of fat.....	1
Boiling over kettle of varnish.....	1
Carelessness with cigars.....	5
Carelessness with matches.....	7
Carelessness with cigarettes.....	5
Carelessness with coil-oil lamps..	4
Carelessness with candles.....	5
Carelessness with fire.....	2
Children with matches.....	12
Clothing over hot stoves.....	2
Defective chimneys.....	24
Defective boiler.....	1
Defective range.....	7
Defective flue.....	1
Defective dry-room.....	3
Defective stove pipe.....	1
Defective glue pot.....	1
Defective smoke house.....	2
Defective oven.....	2
Defective furnace.....	1
Defective gas-burner.....	1

Drunkenness.....	3
Explosion of gasoline stove.....	1
Explosion of coal oil lamp.....	12
Explosion of gas.....	2
Explosion of oil tank.....	1
Electric light wires.....	1
Fire-works.....	23
Friction of machinery.....	1
Goods too near gas light.....	1
Hot ashes and paper.....	1
Incendary.....	7
Overheated coil oil stove.....	2
Overheated furnace.....	1
Paper behind range.....	1
Preparing matches.....	1
Pipe smoking.....	3
Spark from chimney.....	11
Spark from locomotive.....	1
Spark from range.....	2
Spark from furnace.....	1
Spontaneous combustion.....	4
Tar barrel.....	1
Unknown.....	41
Upsetting coal oil lamp.....	4
Wooden ash barrel.....	8
Total.....	247

During 1885 the Patrol received 314 alarms, and were employed in active service 273 hours. Twenty-three fires were extinguished and 1,422 covers spread. The labors of the Patrol were somewhat greater than for the previous year. The expenses for 1885 were \$25,300.08. It is estimated the Patrol saved \$163,000 to underwriters during the year.

### Firemans Fund Insurance Company.

#### A HISTORICAL REVIEW OF A FAMOUS SAN FRANCISCO COMPANY. — ITS GROWTH, PROSPERITY, AND RESOURCES.

The Firemans Fund Insurance Company of San Francisco has so many friends and so large a corps of agents, from the Pacific to the Atlantic, that it has occurred to us that a review of the company's career can not fail to be of special interest to most of our readers, and of general interest to all. To properly describe the honorable record and extraordinary growth of the company may well exhaust our stock of suitable adjectives, while to justly praise, in laudatory language, the untiring energy and expert underwriting ability of the managers, would certainly expose us to the charge of fulsome flattery.

We shall therefore confine this article to a historical account of the company, and a statement of its present resources.

#### ORGANIZATION.

The Firemans Fund Insurance Company was organized on May 3, 1863, and issued its first policy on June 18th, a little over a month later. This policy was secured, framed, and hung in the office of the company, where it may now be seen. It is an interesting souvenir, not only of the Firemans Fund, but of San Francisco underwriting, for it is the first fire policy issued by any Pacific Coast company now in existence. The California Insurance Company is older than the Firemans Fund, but it did not begin a fire business until after the latter company was organized, and was then known as the California Mutual Marine Insurance Company. There was one other Coast company, the Merchants' Mutual, which was also a marine company.

#### OFFICERS.

The Fireman's Fund has had four Presidents. The first, in 1863-4, was Wm. Hordredge; the second, in 1864-6, was S. H. Parker; the third, in 1866-7, was W. B. Bourne; the fourth, the present President, was D. J. Staples, who was elected on May 3, 1867. Mr. Staples will therefore soon enter the twentieth year of his presidency. He has also been President of the San Francisco Board of Fire Underwriters for ten years.

The first Secretary of the company was C. R. Bond, who served from 1863 to 1872. The second Secretary was G. D. Dornin, who filled that office from 1872 to 1881. His successor was the present Secretary, W. J. Dutton, who assumed the duties of the position in June, 1881. Mr. Dutton joined the company to inaugurate its Marine Department in 1867, and has served successively as Marine Secretary, Assistant Secretary and Secretary.

The Assistant Secretary is E. W. Carpenter, who was formerly the Helena, M. T., agent of the company. In 1875 Mr. Carpenter became a special agent for the company, and was elected to his present position in 1881.

## EASTERN RECORD.

The Firemans Fund began an Eastern business in 1868. From 1868 to 1871 the company operated in the Eastern States in conjunction with the Union and the Occidental of San Francisco, as the California Insurance Union. A marine business was transacted jointly by the trio throughout the Atlantic States and Great Britain, until the great fire in Chicago, which forced the failure of the Occidental, and consequently the dissolution of the combination.

The Chicago fire in October, 1871, swept away the entire capital of the Firemans Fund, the loss being nearly \$600,000. The directors promptly levied an assessment of 50 per cent. on its stockholders, who as promptly responded. The company was therefore able to discharge every dollar of its obligations, and in doing so established for itself a reputation for honorable dealing and financial responsibility that has contributed greatly to its wide-spread popularity and consequent growth. The same alacrity in paying every dollar of losses incurred by the great Boston fire in November, 1872, only a year after the Chicago fire, still further strengthened the confidence reposed in a Firemans Fund policy. To meet this second enormous loss, the cash capital was reduced from \$500,000 to \$300,000. The company wisely continued its Eastern branch, and was rewarded with a large increase of choice and profitable business. From 1872 to 1880 it was the only California company doing business east of the Mississippi.

Until 1876 the company's Eastern business was done through two departments, reporting respectively to Messrs. Skeels, Bowers and Boughton at New York, and Thos. S. Chard at Chicago. In 1876 these departments were consolidated, under the management of Mr. Chard, with headquarters at Chicago.

During recent years, owing to the rapid growth of the company's Eastern business, the management of so large a field became too heavy a burden for a single manager, and a year ago it was again divided, the section comprising the New England and Atlantic States being placed under the man-

agement of C. W. Kellogg, long known as a successful underwriter in that section, and who has his headquarters at Boston, while the remainder of the field, under the term Central Department, remains as formerly, under Mr. Chard's charge.

## CAPITAL.

When incorporated in 1863 the cash capital of the Firemans Fund was \$200,000. In 1865 it was increased to \$500,000. In 1872, as above stated, the Boston fire caused the reduction of the capital to \$300,000. On June 30, 1880, it was advanced to \$750,000. It is now proposed to increase the capital to \$1,000,000, and a meeting of the stockholders, on March 2, has been called for that purpose. The excellence of the Firemans Fund's reputation in the East is attested, not only by the extent and character of its business in that field, but by the fact that about \$250,000 of its capital stock is held by Eastern capitalists, and of this amount, about \$100,000 is in Hartford, the great center of American insurance capital.

## ASSETS.

The present assets of the Firemans Fund are \$1,625,197.24. It is needless for us to add that the investment of this sum is beyond criticism. The additional \$250,000 of capital about to be added will place the company within a few months of \$2,000,000 assets, at the present rate of increase. The uniform growth and prosperity of the company are shown by the following table of assets for the several years since the increase of capital in 1880:

January 1, 1881 .....	\$1,160,017
“ 1, 1882 .....	1,239,915
“ 1, 1883 .....	1,322,425
“ 1, 1884 .....	1,473,026
“ 1, 1885 .....	1,520,895
“ 1, 1886 .....	1,625,197

## HOME OFFICE.

The steady growth of the company's business long since made it evident that additional office room was an imperative necessity that could not long be ignored, and accordingly, about a year ago, the adjoining building on California street was purchased and altered to conform to the main building. Another story, with mansard roof, was ad-



ded, and many improvements, ornamental and useful, were made in the entire structure. There are speaking tubes, electric annunciators, an elevator, an abundance of light, and elegant and complete appointments throughout. The building is now 62½ by 80 feet, and is five stories in height. It "looms up" in the "insurance centre" of the city in a very imposing fashion, and is worthy of the standing of the company.

#### CONGRATULATIONS.

The army of policyholders, the lucky stockholders, and the 2,000 agents of the Firemans Fund, are to be congratulated on the prosperity of the company, on its superb reputation, and on the possession of an eminently sagacious and conservative management. With assets to the amount of \$1,625,197, a net surplus of \$300,284, a surplus to policyholders of \$1,050,284, and its Chicago and Boston fire records, the company may well challenge the implicit confidence of property-holders everywhere, and the admiration and loyalty of its agents.

#### It is a Profitable Investment.

A WEBFOOT GOES FOR COMMISSIONER TARBOX.

EDITOR COAST REVIEW:—"Life Insurance as an Investment," by Commissioner Tarbox, is discussed in the December number of the COAST REVIEW. Whatever may be said of his statements theoretically, they are open to serious objection when subjected to practical test. "Life insurance is protection," he says; and, following that truthful observation, we are told, "It is deception to claim that it can be profitable investment, in the commercial use of that term." Government bonds, yielding three to four per cent. interest, are considered a good investment, not only in the East, where money is seeking employment at such rates, but even on this Coast, where eight and ten per cent. loans are common. A "profitable investment" is not always the one which, ignoring all other considerations, promises the highest interest gains. Four per cent., with proper security, may largely discount a speculative ten per cent. Hence, Government bonds are held by capitalists in the west, whose money might

easily find investment at eight and ten per cent., because other advantages, not afforded elsewhere, attend such low rate investment, and make it even more desirable than the promise of larger profits in other directions.

Life insurance does offer a field for "profitable investment," as the outcome of thousands of contracts already matured in recent years abundantly proves. Within the past ten years millions of dollars have been paid to policy-holders on their matured endowments by one company alone, which returned every dollar paid by the insured with four per cent. compound interest on ten year, and four and a half to five per cent. on fifteen and twenty year policies, besides the life insurance.

How erroneous, then, is the statement that, on such contracts, the policy-holder "is sure to lose, even if he survives the term of his policy." Lose what? The money paid, or the high interest or profit which some insecure investment promises? Certainly not the former, as numerous examples prove, and if any of the latter, it is offset by other gains—of security, of exemption from taxation and claims of creditors, of time and money spent in finding proper investments, and of other benefits which make it eminently desirable to accept these advantages even at the expense of promised interest gains in other directions.

Another consideration, and a weighty one, is involved in the fact that not one man in ten makes and saves the money he might, ought and hopes to accumulate, making the Savings Bank, properly conducted and judiciously patronized, a most beneficent institution. But the endowment policy in life insurance is not alone a protection for one's dependent family; it is also a savings bank of the very best kind. It not only receives deposits, but it places the depositor under special obligation to not yield to selfishness and withdraw his money for present use, but to continue until the full promised benefit is reached. No other savings fund is so certain to be kept unbroken; no other affords so sure and large returns.

The realized benefits of endowment life insurance have been so great and wide-

spread that mere theory will have a hard task to prove it has not been "profitable." It is not "speculative," but it is profitable, if profit is derived from laying down one dollar and taking up two; if it is "profitable," in the "commercial use of that term," to put out one's money at interest with the best security in the world, and a certainty of a return of the money with gain.

J. F.

Portland, Or., January 12, 1886.

### Payment of a Thousand Dollars Reward.

In the summer of 1884 repeated attempts were made to burn valuable blocks of buildings in Portland, Oregon. The Board of Fire Underwriters offered a reward of \$1,000 for the arrest and conviction of the incendiary. In October, 1884, James McGuire was arrested, and was subsequently convicted of an attempt to commit arson. There were several claimants for the reward, and the underwriters were in a quandary as to whom to pay it. A check for \$1,000 was sent to the Chief of Police, who undertook to pay it to the four officers who assisted in the arrest of McGuire and shared in the discovery of evidence of his crime. The officer who made the arrest insisted that he should receive all of the reward, and refused to endorse the check. The dispute was taken into the courts, in the form of a suit in equity, entitled *Gustave Touchard et al. vs. Cramer et al.*

The suit was disposed of by Judge Deady of the United States Circuit Court at Portland on the 18th of January, the thousand dollars reward being awarded equally to the four officers whose evidence secured the conviction of the fire bug. The testimony proved that officer Cramer arrested McGuire for vagrancy and not for arson. While en route to the station, officer Smith met the pair, and the two policemen discovered that the prisoner had coal oil on his hands, a fact which materially assisted in convicting him. Officers Smith, Cramer, James and Chief Parrish afterwards went to the American Exchange dock and got some of the kindlings left after the small blaze had been discovered and extinguished. In this way the chief became one of the claimants.

Cramer, for his piggishness or pigheadedness, was required to pay costs, amounting to about ninety dollars.

There was still another claimant—the dock watchman, who, having testified to seeing McGuire on the dock on the night of the incendiary attempt, thought he ought to have the reward in full. His attorney urged that as police officers are public servants, they are not entitled to receive rewards for simply doing their duty. It appears, however, that a Portland ordinance provides that policemen may receive rewards on securing permission from the Board of Health. The officers had neglected to do this, but the Court permitted them to get the required permission after the case had been submitted. As the watchman did not discover the fire nor arrest the incendiary, his claim received no consideration.

Judge Deady, in giving his decision, remarked incidentally that the underwriters need not have paid the reward at all, as the prisoner was not convicted of arson, but of an attempt to commit arson.

### The Reward System.

The objection to the payment of rewards to officers already in receipt of salaries for the performance of the same duties is worthy of discussion. A few questions suggest themselves. Does the payment of rewards to officers secure any more thorough performance of their duties? If it does, the discussion is at an end. But do these same officers, in the expectation of a reward, make any extra efforts to discover incendiaries? Are not these discoveries usually accidental? And do not these officers neglect the duties for which the city, county or State pays them, and retard the prosecution of suspected incendiaries, and connive at their evasion of justice, in order to force the underwriters to pay large rewards? If no rewards were offered to the paid officials of the law, would they not, in the end, discover and prosecute as many fire bugs as they do under a reward system? Medals, or some simple evidence of the underwriters' appreciation of their services, might effectively stimulate their zeal without exciting their cupidity to the extent of blackmail.

It is a discreditable fact that police and other officers will not volunteer to testify against incendiaries, and State's attorneys will not prosecute them, until their itching palms are "crossed wi' sil'er." A pretty state of morals this, and one worthy of Turkey or Persia, where blackmail and bribery are the fashion. We presume that no one familiar with the facts will deny that the judicious distribution of rewards is most effective in the detection and conviction of incendiaries, but it is certainly doubtful whether the payment of rewards to the law's paid employés is judicious.

### Exorbitant Cancellation Rates.

STAND AND DELIVER DEMAND OF THE STATE INSURANCE COMPANY OF SALEM, OR.—  
CANCELLATION RATES EXTORTIONATE.—  
THE SECRETARY'S LETTERS.

Our Pacific Coast readers are familiar with the fact that at Salem, Oregon, there is a so-called fire insurance company, yecept the State Insurance Company, of the untamed feline variety, with an alleged or nominal capital. It is the enterprise of one Cottle, formerly of the defunct Washington of New Tacoma. This much to refresh the memory of the reader.

Recently a new policyholder in this "snide" company very sensibly determined to cancel his policies, and wrote to the Secretary for information as to cancellation rates. This policyholder was Ernest Matthies, of Oregon City, Oregon. He held two policies, running five years. They were policy No. 4,255, for \$1,125, issued July 7, 1885, for \$70.00 premium, and policy No. 4,254, for \$1,000, issued same day, for \$27.50 premium. Mr. Cottle replied that the cost from July 7th to October 7th, a period of three months, would be \$48.70, or half of the premium on both risks for five years.

According to the highest table of short rates used by legitimate companies doing business on this Coast, the cancellation rates would have been only \$14.62, or less than one-third of the sum exacted by Mr. Cottle's company. The State Insurance Company profited by its opportunity. The cancelling

policyholder could not help himself. We don't say the extortionate cancellation charge made by the State Insurance Company was stealing: "the wise convey it call." The company simply "conveyed" \$34.08 more than it was entitled to.

Secretary Cottle, in the letters we print below, says that the cancelling policyholder must pay all the expenses of writing the risk. That is proper. But this smart underwriter advances a bit of startling intelligence when he says that "no company can cancel for short rates without losing money." It is strange that other underwriters have not discovered this fact. Here they have been jogging along in the old style, cancelling at short rates under the impression that those rates included the expense of writing the risk; and all this time they have been losing money. This brilliant underwriting luminary of the Northwest says so, and he must know. But he will not allow his company to be cheated by cancelling policyholders, for "we charge in addition to short rates the actual expense of writing the risk."

Following are the letters, which stamp Mr. Cottle as a very ignorant or dishonest underwriter, and his company as a fraud in either case:

STATE INSURANCE COMPANY,  
SALEM, Or., Sept. 10, 1885. }

Ernest Matthies, Esq., Oregon City, Or.

DEAR SIR: Your favor is at hand. In reply will say that it will cost you to cancel both policies, if received before Oct. 7th, \$48.70.

We remain, yours very truly,  
H. W. COTTLE, Sec'y.

STATE INSURANCE COMPANY,  
SALEM, Or., Sept. 16, 1885. }

E. G. Canfield, Esq., Oregon City, Or.

DEAR SIR: Your favor of the 12th inst., making inquiries concerning the cancellation of the policies of Ernst Matthies, is at hand. In reply will say that we make a contract with the intention of keeping it. If the party insured wishes to break it he must pay all the expenses of writing the risk. No company can cancel for short rates without losing money. Hence we charge, in addition to short rates, the actual expenses of writing the risk. The amount we gave Mr. Matthies was correct, according to our rules. If Mr. Matthies has sold his property we will transfer the insurance to any other insurable property he may own, and thus he will get the full benefit of the insurance.

We remain, yours very truly,  
H. W. COTTLE, Sec'y.



### Old World Notes.

The death rate of Paris is 25 per 1,000.

Flour mills are called corn mills in England.

A mutual company for insuring against loss from commercial failures has been established in Paris.

The Private Hire Furnishing and Free Life Policy Company, Limited, has been organized in London. Its objects are stated as follows: "To carry on the business of furnishing on the hire and purchase system. To effect insurances with any office on the lives of persons with whom the company may have dealings in the course of their business, and, if thought proper, to pay the premiums on every or any such assurance. To effect insurances against fire, accident, or tempest upon all chattels or effects supplied or let on hire by the company."

A Paris fire office recovered from an electric light company the amount of a loss by a fire caused by defective insulation. By special contract, at a private ball, the rooms were to be illuminated by electricity. Before the ball began, a servant moved a lamp and broke the circuit. At the appointed time, the "fluid" was turned on and a fire occurred in consequence. The court ruled that the company's employes were not only careless, but that the company should have examined the insulation before beginning operations.

An English paper says that the fire at Clerkenwell, which destroyed two-thirds of the parish of Charterhouse, demonstrated the reliability of fitch-beams in the event of fire, for it was found that these withstood the action of the flames. The timbers were only charred to a sufficient depth to form a protecting skin, thus effectually excluding oxygen from the inner parts, and so preventing the fitches from twisting. Beams of this description, with the wood chemically treated, and protected with a thick coat of plaster, are far to be preferred, in order to withstand the action of fire, than iron girders of equal strength, even when encased in a protected coat of plaster.

A mutual fire insurance company is proposed in England, the plan of which is described as "simple and feasible." A fund will be formed during the course of seven years, each of the members insuring less with the companies each year, and adding the amount of insurance withdrawn to the general fund. The projectors gravely announce that "it is calculated that by that time a fund sufficient to cover all risks will be provided, the interest on which will do away with the necessity for further insurance."

Owing to the prevalence of big fires in Russia, the insurance companies of that empire largely reinsure in foreign companies. Hitherto they have received an average commission of 15 per cent., but now they are demanding 17 to 20 per cent. The English companies refuse to pay the increased rate, and threaten to abandon Russian business. As the German companies announce that they will take the place of the English recalitrants, it is not probable that the latter will execute their threats.

The *Post Magazine* of London says that the fire business in the United Kingdom during 1885 has not proved any more profitable to the companies than the preceding year did, and many offices will be satisfied if when their accounts are made up the results are no worse than those of the previous twelve months. The "hardening" of rates may have tended to improve the position of some few offices, but as a general result the higher rates have been followed by a corresponding reduction in the sums insured, and as a consequence what has been gained on the one hand has been lost on the other. A strong feeling is now expressed in English insurance circles that this state of things will not be improved until the "conditions of average" are applied more generally to insurance covering manufacturing and trade risks.

Glasgow has a new fire alarm system which is said to excel that of any other city in the United Kingdom. No batteries are required in the street boxes. To give an alarm of fire by the new instrument is exceedingly simple. After the glass front has been

broken, a push on the brass knob found inside with the finger is sufficient to set the bell in motion in the fire station. At the same moment a bell begins to ring loudly in the street box. When the bell in the fire station has rung, the man on duty replies to the signal by turning down a lever which causes both bells to suddenly cease ringing. When an alarm is once given the instrument is self-locking, and it will remain in circuit until the brigade has arrived and opened the box to reset the alarm.

There is a company of organized incendiaries in Constantinople, which, owing to the inefficiency of the Turkish police and justice, do a thriving business. The band levy blackmail contributions on all house-owners, to guard the premises against incendiary fires. The proprietors of the charming and costly villas lining the incomparable banks of the Bosphorus are required to pay premiums if they desire to insure their homes. The owners receive a mysterious letter couched in polite terms, to the effect if they desire to insure their premises against incendiarism, to deposit a certain sum of money near a designated tree, stone, stump, etc., otherwise accidents might happen. The ex-minister of finances, strongly suspected of having resigned with a large sum of money, not his own, in his possession, spent 750,000 francs in France for the interior arrangement of his house. He received a note requesting him to send £500 as insurance, which he refused, and a few days after his residence was burned to the ground.

The defendant company (the Massachusetts Mutual Life) had insured the life of deceased for \$12,000, but refused to pay the claim, on the ground that he had made misrepresentations in his letter of application. The heirs therefore accepted a compromise of \$6,000. Subsequently they found satisfactory evidence that the insured had made no misrepresentations to the company. Suit was brought for the recovery of the unpaid balance. After eight years of litigation, and two trials of the case, the heirs recently obtained a verdict for \$9,060, the amount of the unpaid half of the claim, with interest.

## California Life and Accident Association.

CHEAP ACCIDENT INSURANCE—THE HAT IS PASSED FOR A \$4,000 CLAIMANT, AND ONLY \$1,000 COLLECTED—THE SECRETARY'S REMARKABLE CORRESPONDENCE.

Wm. Thompson Brown, of Eureka, Humboldt County, Cal., took out a certificate of insurance in the California Life and Accident Association of San Francisco for \$4,000. He was told by the special agent of the association that in the event of accidental death the certificate would be paid in full to his beneficiaries. For this alleged insurance he paid in membership fees and assessments \$38.00. On August 21, 1885, Mr. Brown was drowned in Elk River.

The special agent notified the widow of the deceased, in the following letter, that she was entitled to \$4,000:

FERNDALE, CAL.,  
September 28th, 1885.

Mrs. W. H. Brown, Eureka, Cal.—DEAR MADAM:

Your late husband was a standing member of the California Life and Accident Association (Accident Department), by virtue of which you are entitled to the amount written in deceased's certificate of membership. You will please make formal application for your claim immediately, as a longer delay may work as forfeiture of claim. Call on me, if necessary, and I will give you all possible assistance.

I remain, Madam, yours respectfully,  
F. J. HAAS, Special Agent.

Blank proofs of loss were properly filled and forwarded to the office of the association in this city. The Secretary wrote in reply several extraordinary letters, which we print below. In the course of his correspondence he makes several admissions which reveal the weakness of the association and the worthlessness of its certificates.

In the letter dated October 28th, the Secretary explains the delay in the settlement of the widow's claim, by informing her that as the association had levied an assessment only a short time previous, it would be inexpedient to levy another until December 1st. He led her to expect that she would receive the \$4,000 due, though he knew better, for he writes afterward that \$1,000 was all he anticipated from the beginning. In making this admission, the Secretary

convicts himself and the association of dishonesty, for he knew equally well when he received Mr. Brown's fees and dues and assessments on a \$4,000 certificate that the association could not pay more than \$1,000. The Secretary and the managers of the association certainly now know that in writing certificates in excess of \$1,000 they are dealing dishonestly with members.

Had Mr. Brown been insured in any regular, legitimate accident insurance company, his \$4,000 policy would have cost him, as a carpenter, \$50.00, or \$12.00 more than his \$4,000 certificate cost him in the hat-passer. But his widow would have received \$4,000, as promised, whereas now she must be content with only \$1,000. This case is a fair example of the "cheap" insurance furnished by co-operatives.

The attention of the trustees of the association, who all are more or less prominent and influential men, is directed to the case of the widow, whose husband believed that his life was insured against accident. She is a deceived and disappointed woman, and has received only one-fourth the amount of her claim. Other widows will be victimized in a similar fashion, and the trustees will be at least morally responsible.

Here are two of Secretary Pettis' letters. They are very interesting—to members of co-operatives and to grammarians, at least:

SAN FRANCISCO, CAL., }  
October 28th, 1885. }

Mrs. Wm. T. Brown, Eureka, Humboldt Co., Cal.

DEAR MADAM: I am in receipt of proof of your husband's death. In case of necessity we are allowed 90 days' time in which to pay, after having received proofs of loss. And as we have levied an assessment only a short time ago in the Accident Department it will not be expedient to levy another one until the first of December. We shall therefore defer levying the assessment until said time. We will therefore be prepared to settle with you about the last of December or the first of January, which will bring the time of payment within the limit, say 90 days. In due time I will write you again. Hoping this will reach you without any delay, I remain,

Yours very respectfully,

W. H. PETTIS, Sec'y.

SAN FRANCISCO, CAL., }  
December 18th, 1885. }

Mrs. Wm. Thompson Brown, Eureka, Humboldt county, California:

DEAR MADAM: I should have written you some time ago in regard to the matter of your claim against our association on account of the death of

your husband, but I had my reasons for not doing so, and will now explain them to you. And first, before making my explanation I will say, that we will be able to settle with you about January first. We will send a check to Snow & Co., of Eureka, which will be drawn payable to your order. *You will receive, however, much less than your certificate calls for.* The assessment will yield about \$1,000. It may be a little more or it may be a little less, but as near as we can judge it will be about \$1,000. *This we anticipated would be about the amount in the beginning,* but to give you now my reasons why I did not tell you so long before is as follows, to wit: If this communication had been sent to you you might have considered that you were being treated unjustly, and have made this fact quite public in your vicinity, which, if it had reached the ears of the members in your vicinity, they also would have taken up the same thought and would probably have refused to have paid their assessments, which would have been only your injury and not ours, as not a dollar of the assessment belongs to any one except the beneficiaries, and the more we can get in on this assessment the more you will get. Now, for instance, if 100 persons in your county had refused to pay their assessments you would have been out just that much. This is the first death claim we have had since we started, consequently it is the first claim that we have had in the accident department that we have not been able to pay in full. All other claims have been for weekly indemnity only. Consequently no one person could have a larger claim than \$650 against us for any one accident.

At the time your husband lost his life he was engaged in a much more hazardous occupation than that under which he was insured, but so far as I know the Executive Committee have no thought of being influenced by his omission to notify us of his more hazardous occupation, and having his classification changed on our books.

We are only sorry that our membership is not larger, so we could pay the claim in full. I wrote to Mr. Snow about two months ago, informing him of the condition of this matter, and requested him particularly not to mention it to any person, for the reasons I now give you. Any communication that you wish to send us can be direct, or through Snow & Co., of Eureka,

I remain yours, very respectfully,

W. H. PETTIS, Sec'y.

Mr. Pettis, after writing such a letter as the foregoing, should resign, and—jump into the bay.

"Yes; I am a policy-holder in a Co-operative Life company," exclaimed an unhappy dupe, "and whenever people speak of it in connection with myself I hear something about an 'ass-is-meant.' What do they mean?"—*Weekly Statement.*



## Bankers' and Merchants' Mutual Life Association.

ENDORSEMENTS THAT DO NOT ENDORSE —  
FIGURE-HEAD DIRECTORS—A FEW LIES  
NAILED.

There was recently organized in this city an assessment or co-operative life insurance association entitled the Bankers' and Merchants' Mutual Life Association of the United States. The prime purpose is to provide profitable employment for the officers and general manager; the secondary purpose is to distribute the proceeds of assessments among the beneficiaries of deceased members. There are but two things to recommend this new hat-passer: its name, and the fact that the assessments are graded according to age of members. The evil concomitants are legion.

### FIGURE HEADS.

A board of directors of more or less prominent men, who will serve merely as figure-heads, has been selected for effect. The "references" are well-known business and professional men, who know little or nothing of the principles or practical workings of life insurance. Whether permission to so use their names has been granted by the "references," may fairly be doubted, and whether they endorse the association *per se* or merely endorse the good character of the projectors, is a matter of conjecture.

### REFERENCES.

To the well-informed public the endorsement of these gentlemen is of no importance, and carries no weight in the scale of judgment; for such references have been frequently proved to be utterly valueless. But there is a large uninformed and unthinking public who may pin their faith to the enterprise because of the implied endorsement of these well-known references. The gentlemen should therefore order their names withdrawn from the printed "references," or state whether they endorse the co-operative character of the association, or merely the good character of the managers.

### HUMBUGS ENDORSED.

We invite the attention of the "references" of the association, and of the public in-

fluenced thereby, to the disgraceful fact that the late Universal Benevolent Association of San Francisco, a vile fraud, was endorsed by a long string of prominent citizens and officials. The late Mutual Self-endowment and Benevolent Association of Texas, another humbug, was likewise fortified with an array of prominent references. The odium which justly attaches to the names of these references will in all probability attach to the names of the gentlemen who ostensibly endorse this new experiment in assessment life insurance.

To those familiar with the history of assessment insurance in this country, the Bankers' and Merchants' Mutual Life Association stands condemned without a hearing. Universal experience, as well as the indisputable principles of successful life insurance, proclaim the

### ULTIMATE FAILURE

of the association, even though it does grade its assessments in imitation of the premium charges of the old line companies. This just feature enables the co-operative to pay a larger proportion of a claim, but it is doubtful if it adds a day to its brief career.

This new enterprise begins business with an air of respectability, and is apparently "backed up" by responsible men. This will enable it, perhaps, to secure a better class of victims, but will give it no permanency, nor add a dollar to the value of its certificates. The California Life and Accident Association, of this city, is an equally respectable or

### SEMI RESPECTABLE HAT-PASSER,

and is likewise well endorsed and buttressed with a wall of prominent business men who are figure-head trustees. Yet the California Life and Accident was unable to pay the claim of the widow of William Thompson Brown, of Eureka, Cal., who was drowned last August. It was the first death claim, too, the Secretary says. The board of trustees and the long list of distinguished endorsers, didn't amount to a tinker's dam; neither do the directory and endorsement of prominent references of the Bankers' and Merchants' Mutual Life Association, so far as the payment of any claim is concerned.

# Statement of the Condition and Affairs

OF THE

# FIREMANS FUND

INSURANCE

COMPANY,

Of San Francisco, California, on the 31st day of December, 1885.

Amount of Capital Stock, paid up in Cash.....\$750,000 00

## Assets.

Real Estate owned by Company.....	\$ 320,000 00
Loans on Bond and Mortgage.....	155,618 00
Cash Market Value of all Stocks and Bonds owned by Company.....	731,630 00
Amount of Loans secured by pledge of Bonds, Stocks and other marketable securities as collateral.....	112,400 00
Cash in Banks and Company's Offices.....	135,113 70
Interest and Rents due and accrued.....	8,491 54
Premiums in due Course of Collection.....	108,686 72
Bills receivable, not Matured, taken for Fire and Marine Risks.....	44,445 04
Due from other Companies, for Re-insurance on Losses already paid.....	8,812 24

TOTAL ASSETS.....\$1,625,197 24

## Liabilities.

Losses Adjusted and unpaid.....	\$ 14,256 45
Losses in process of Adjustment or in Suspense.....	39,538 06
Losses resisted, including expenses.....	28,057 91
Re-insurance Reserve: Fire, \$415,982 90, Marine, \$64,114 30.....	480,097 20
Commissions and brokerage due and to become due.....	8,433 82
Marine Bills Payable.....	2,545 42
Agents' Balances.....	894 59

TOTAL LIABILITIES.....\$574,913 45

Capital Stock.....	750,000 00
Net Surplus.....	300,283 79

TOTAL.....\$1,625,197 24

## Income.

Net Cash actually received for Fire premiums.....	\$652,864 30
Net Cash actually received for Marine premiums.....	189,781 79
Received for interest on Bonds and Mortgages, Bonds, Collaterals, Loans, &c.....	15,644 05
Received for interest and dividends on Stock.....	24,754 33
Received for Rents.....	21,473 32

TOTAL INCOME.....\$907,517 79

## Expenditures.

Net amount paid for Fire Losses.....	\$294,754 46
Net amount paid for Marine Losses.....	147,457 24
Dividends to Stockholders.....	90,000 00
Paid or allowed for Commission or Brokerage.....	106,166 12
Paid for Salaries, fees and other charges for officers, clerks, &c.....	81,734 91
Paid for State, National and local taxes.....	12,164 29
All other payments and expenditures.....	97,782 99

TOTAL EXPENDITURES.....\$830,110 01

D. J. STAPLES, *President*,  
ALPHEUS BULL, *Vice-President*,

WM. J. DUTTON, *Secretary*,  
E. W. CARPENTER, *Ass't Secretary*.

Home Office, S W. cor. California and Sansome Streets,

SAN FRANCISCO, CAL.





## FALSUS IN UNO FALSUS IN OMNES.

In a circular issued by the Bankers' and Merchants' Mutual Life Association, some colossal lies are told. It is claimed that "in England there are sixty assessment companies 100 years old and upward." This is a stock co-operative lie. There are no assessment companies in England.

The circular says that the Defoe Friendly Benefit Association of London was 194 years old. The Defoe was organized in 1696 or 1700. An advertisement in the London papers in 1720 says it had been out of existence for some time. Its early decease is some evidence that it was an assessment society.

## EPISCOPAL MINISTERS' ASSOCIATION.

Again, the circular states that "in this country we have an Episcopal Ministers' Association, for insuring the clergy on the assessment plan, that has been in existence 130 years." The Episcopal Ministers' Association was devised by Benjamin Franklin, and chartered by the province of Pennsylvania in 1769 as a "co-operation for the relief of the widows and children of clergymen of the Church of England in America." The charter was renewed by the Pennsylvania Legislature in 1797. The "assessments" consisted of annual contributions of \$8, \$16 or \$24, to provide annuities for widows. Fifteen annual payments were necessary to secure an annuity equal to five annual payments. In 1826 there were but four contributors and no annuitants. In 1830 there were five contributors and one annuitant. In 1833 the funds on hand amounted to \$50,000, and have since increased to over \$200,000, chiefly from legacies and gifts from friends of the association. For years it has been doing business on the old-line, level premium plan, with premium rates about the same as those of other regular companies. The association not only is not a co-operative, but it never was, in the sense that the Bankers' and Merchants' is.

## A WHOPPER.

Another statement in the circular is, that there is in England an assessment company with a membership of 735,356, but the name is prudently withheld. We defy the man-

agers of the Bankers' and Merchants', or the authors of the circular, to produce the name, or the names of the five English assessment companies having a "combined membership of 1,476,356.

## A CHALLENGE.

We further challenge any co-operative manager or advocate to produce the proofs of the existence in England of a single assessment society run on the American plan, or resembling the American assessment company in any controlling principle. Trot out your proofs or put this stock lie in limbo.

We have convicted the Bankers' and Merchants' Mutual Life Association of gross misrepresentation. The managers are knowingly deceiving the public. The assessment character of the association need not be discussed, for a thousand failures of similar associations in the United States seal the fate of this latest candidate for co-operative profits.

## Rich Men Appreciate Life Insurance.

If every man recognized the value of life insurance and the stability of the old-line companies half so well as the most successful business and professional men do, the average task of the solicitor would be a light and pleasant one. No man would be without a policy in a legitimate, regular company. But, unfortunately, the men who need life insurance most—the vast army of wage-workers, the merely well-to-do and the ne'er-do-well—are usually so indifferent or prejudiced that the solicitor must employ all his arts and patience, and support both with "cheek," persistence and an avalanche of figures. These men, unlike the rich, are often foolishly distrustful of the companies, or indulge in a vain confidence in their own abilities to provide for dependents or old age, despite all the vicissitudes of fortune. It must be added, to the dishonor of human nature, that many men are selfishly indifferent to all the claims of duty.

It is therefore an encouraging fact that the leading business men of the country—the men who are the best qualified to determine the value and safety of life insurance as an investment—insure their lives

largely. They believe in life insurance and know that the companies are as safe as any human institution can be. They are rich, and in all probability will leave their families in luxurious abundance; but none know better the fleeting character of riches, and they make the only possible provision against it. We print herewith the names of a few representative rich men of business who carry insurance ranging from \$76,000 to \$300,000, which we submit to the reader without further comment. We may properly add, however, that not one of these men carries any co-operative or assessment insurance:

NAME.	RESIDENCE.	AMOUNT.
Hamilton Diston.....	Philadelphia.....	\$300,0 0
P. Lorillard.....	New York City.....	255,000
F. W. Devoe.....	New York City.....	240,000
Frank Jones.....	Portsmouth, N. H.....	205,000
John Gibb.....	New York City.....	170,000
H. B. Hyde.....	New York City.....	165,000
J. Wansmaker.....	Philadelphia.....	125,000
C. A. Dana.....	New York City.....	120,000
T. B. Peterson.....	Philadelphia.....	100,000
Jay Gould.....	New York City.....	100,000
Samuel Borrowe.....	New York City.....	76,800
Rufus Hatch.....	New York City.....	76,000

### President L. L. Bromwell.

#### THE MERITED PROMOTION OF AN ABLE AND FAITHFUL OFFICIAL. — THE CALIFORNIA INSURANCE COMPANY.

At the annual meeting of the directors of the California Insurance Company, last month, the Secretary, L. L. Bromwell, was unanimously chosen to fill the vacancy caused by the resignation of President Hopkins, who, owing to ill health, has retired from active business life. Mr. Bromwell's ability as an underwriter and his deserts as an energetic and faithful official are so generally recognized in insurance circles that we simply voice the general sentiment when we say that the choice of the directors could not have been better, and that the promotion was eminently well deserved.

Mr. Bromwell's career as an underwriter began at the close of the Civil War, when he entered the service of the western branch of the Phoenix Insurance Company, of Hartford, at Cincinnati, of which H. M. Magill was then and is now the general agent. Mr. Bromwell began at the lowest round of the

ladder, and took his first lessons in practical underwriting as an abstract clerk. He was presently advanced to classification clerk, and then took a long stride up the ladder and became a special agent. Subsequently he assumed charge of the local business at St. Louis of the Phoenix and the City Fire of Hartford, and also served the former company as State agent for Missouri, Kansas and Nebraska. Another change in the wheel of fortune transferred him to Cincinnati and placed him in charge of the Southwestern business of the Phoenix. While serving in the latter capacity he made one trip of nine months' duration, and opened all the Southern agencies, including Texas.

In 1870 Mr. Bromwell was transferred to San Francisco as special and adjuster of the Phoenix and Home Insurance Companies. From 1870 to 1878 he visited every point on the Pacific Coast. In May, 1878, he was appointed general agent for the California Insurance Company, and a year later was elected Vice-President. Upon the death of Zenas Crowell, the Secretary, in April, 1882, Mr. Bromwell was chosen Secretary, and remained so until elevated to the Presidency.

The California was organized and began business in February, 1861, and during the twenty-five years of its existence it has been remarkably successful and well managed. For its prosperity and growth in recent years Mr. Bromwell is entitled to a liberal share of the general credit. His personal popularity and pushing energy have been important elements in advancing the company's interests.

The California has now \$1,010,713.52 assets, of which \$600,000 is paid up capital. The net surplus is \$145,755.42. With Mr. Bromwell in the Presidential chair, John Birmingham as Vice-President, and W. H. C. Fowler as Secretary, with over a million assets, a large net surplus, and a first-class record, a flattering future may be forecast for the Old California.

Efforts to pass a valued policy law in Connecticut are announced. The Honorable Mr. Blank wants "boodle."

### Other-State Companies.

EXTRACTS FROM ANNUAL STATEMENTS—GAINS AND A PROSPEROUS BUSINESS GENERALLY REPORTED.

We present herewith a summary of the annual statements of forty-five other-State companies operating in this field. All of the statements have not yet been received. As the reader will note, most of the companies report a prosperous business during 1885, and gains in assets, net surplus and premium income. As soon as received, the annual statements of the remaining other-State companies will be epitomized in a similar manner and printed in these columns.

#### ÆTNA.

The assets of this old Hartford corporation are \$9,241,847, and the net surplus is \$3,179,653. The fire premium income for 1885 was \$2,420,355, and the fire losses were \$1,285,854, or 53 per cent. The total premium income, assets and surplus all show gains, and the loss ratio was reduced. Dividends to the amount of \$720,000 were paid as usual.

#### AGRICULTURAL.

The Agricultural of Watertown, N. Y., gained in assets and net surplus, but fell off slightly in premium income and was not so fortunate in the matter of losses. The assets are \$1,831,798, the net surplus is \$156,221; the premiums last year were \$737,824, and the losses were \$418,261, a loss ratio of 56 per cent.

#### AMERICAN.

The American of Philadelphia is able to report noteworthy gains in assets, surplus and business for 1885. Its assets are now \$1,918,432, a gain of about \$150,000. The net surplus is \$447,821. The premium receipts during 1885 were \$1,014,560, against \$868,405 for 1884. The loss ratio was 58 per cent.

#### AMERICAN CENTRAL.

The American Central, of St. Louis, has \$1,172,792 assets and a net surplus of \$185,618, a gain of over \$15,000. The fire premium income last year was \$486,784, while the fire losses were \$292,292, or about 61 per cent.

#### BOATMANS.

The Boatmans of Pittsburgh, Pa., gained considerably in assets and premiums. The premium income advanced from \$145,074 to \$195,739, while the losses did not keep the same pace. The assets are \$432,139, and the surplus is \$32,568. The loss ratio was 59 per cent.

#### CITIZENS.

The Citizens of St. Louis, shows a gain in assets, net surplus and premium income. The figures in the annual statement are: assets, \$437,303; net surplus, \$179,203; premiums, \$86,079; losses, \$44,807; ratio, 52 per cent.

#### CONCORDIA.

The Concordia, of Milwaukee, has assets to the amount of \$475,838, and a net surplus of \$83,393. The premium income for 1885 was \$227,302, a very considerable gain over the previous year. Of this sum \$122,115, or 53 per cent., was absorbed by losses.

#### CONNECTICUT.

Over a hundred thousand dollars were added to the assets of this Hartford company last year, and the net surplus was largely increased, as was also the premium income. The assets are now \$1,974,750, and the net surplus is \$303,684. During 1885 the fire premium income was \$919,434. The losses were \$533,657, or 58 per cent.—considerably less than for 1884.

#### CONTINENTAL.

The Continental of New York added \$238,977 to its assets, and \$454,716 to its premium income last year. It is now a five-millionaire company. The loss ratio remains the same. The interesting figures afforded by the annual statement are: Assets, \$5,177,479; net surplus, \$1,358,880; premiums, \$3,159,636; losses, \$1,945,026; loss ratio, 63 per cent.

#### FARRAGUT.

The Farragut of New York shows \$429,253 assets, and \$106,921 net surplus. The premium income last year was \$179,349, while the losses were less than 37 per cent. The company makes a better showing in every respect than it did a year ago.



## FIREMEN'S.

The Firemen's of Newark, N. J., reports progress in assets and business. The premium income last year was \$281,984, and the losses were \$119,101, or 42 per cent. The assets are \$1,554,856, and the net surplus is \$758,889.

## FIRE ASSOCIATION.

The Fire Association of Philadelphia has advanced all along the line, adding to its assets, surplus and premiums, and reducing its loss ratio. The assets on January 1st were \$4,250,564, a gain of about a quarter of a million. The net surplus rose over \$100,000, and is now \$783,792. The premium income was \$1,534,996, a gain of \$163,104. The loss ratio was 65 per cent.

## FRANKLIN.

Gains in every department are reported by the Franklin of Philadelphia. The assets are \$3,130,256, the net surplus is \$912,390, the premium income was \$485,932, and the losses were \$226,770. The loss ratio was only 47 per cent.

## GERMAN.

The German of Pittsburgh reports \$448,914 assets, \$62,901 surplus; a premium income of \$250,829, and losses to the amount of \$159,176. The loss ratio was a fraction over 60 per cent. Some \$18,000 was added to the premium income.

## GERMANIA.

The Germania, of New York, in its annual statement shows assets to the amount of \$2,422,805, and a handsome net surplus of \$477,887. The premium income during 1885 aggregated \$1,177,441, and the losses \$916,655, or 76 per cent.

## GERMAN AMERICAN.

Gains are reported by this New York company in the several departments. Nearly a half million was added to the assets, the surplus gained within a fraction of \$350,000, and the premium income gained \$122,667. The figures are: assets \$4,701,403; net surplus \$2,039,851; premium receipts, \$1,992,665; losses, \$1,032,477, or 51 per cent.

## GIRARD.

Gains all along the line, with a reduced fire loss, are to be credited to the Girard of

Philadelphia. Assets, \$1,263,510; net surplus, \$546,522; premiums, \$330,124; losses, \$135,854; loss ratio, 41 per cent.

## GLENS FALLS.

The Glens Falls, of Glens Falls, N. Y., reports progress in every department, and fewer losses. Additions were made to the assets, net surplus, and premium income. The salient figures are: Assets \$1,492,284; net surplus, \$741,575; premium income, \$564,333; losses, \$287,167; loss ratio, 51 per cent.

## HARTFORD.

Gains in assets and net surplus, together with a lower loss ratio, are to be credited to the Hartford. The assets are \$4,745,342, the net surplus is \$1,443,359, the premium income was \$2,308,667, and the losses were \$1,346,923. The loss ratio was 58 per cent.

## HOME.

The Home of New York shows an advance in assets, net surplus, and premium receipts, and a reduced loss ratio. The prominent figures are: Assets, \$7,618,116; net surplus, \$1,227,995; fire premiums, \$3,574,417; fire losses, \$1,990,709; loss ratio, 55 per cent.

## HOWARD.

A prosperous year enabled the Howard of New York to advance its net surplus from \$2,505 to \$66,009. The premium income rose from \$281,396 to \$301,488. The loss ratio was 55 per cent., \$164,514 going for losses. The assets of the Howard are now \$701,264.

## INS. CO. OF NORTH AMERICA.

This ancient Philadelphia corporation reports \$8,977,591 assets, \$2,955,325 net surplus, \$3,545,058 premium receipts, and \$2,569,176 losses, a loss ratio of about 73 per cent. The several departments show a small decline, and the loss ratio an advance, compared with last year.

## INS. CO. OF STATE OF PENNSYLVANIA.

The assets of this Philadelphia company are now \$626,863. The net surplus is \$200,335, a gain of \$10,910. The premium income last year was \$187,139, and the losses were \$124,503. The reduced premium income has secured the much more favorable loss ratio 65 per cent.

## MERCHANTS.

This is a New York company, which shows gains in assets and net surplus. The assets on January 1st were \$449,791, with a net surplus of \$107,673. The fire premiums for 1885 were \$93,385, and the fire losses \$62,246, or 63 per cent.

## MERCHANTS.

The Merchants, of Newark, N. J., likewise reports gains in assets and net surplus. The salient figures are: Assets, \$1,225,985; net surplus, \$357,700; fire premiums, \$577,037; losses, \$384,015; loss ratio, 66 per cent.

## NATIONAL.

The National, of Hartford, announces gains in the several departments. The assets are \$1,853,728; the net surplus is \$473,624. The net fire premium income for 1885 was \$490,453. The losses swallowed 57 per cent., or \$281,581 of the premiums.

## NATIONAL.

The National, of New York, has \$393,163 assets, and \$63,300 net surplus. Premiums were received to the amount of \$198,805, and losses were incurred to the amount of \$112,067; loss ratio, 56 per cent.

## NEW HAMPSHIRE.

The New Hampshire is able to report gains in its assets, net surplus and premium income, and a lower loss ratio. The premium income advanced about \$100,000, or 20 per cent. The assets are \$1,101,451; the net surplus is \$219,983; the premium income was \$551,154, and the losses were 53 per cent. of the latter sum, or \$293,145.

## NIAGARA.

The Niagara, of New York, reports flattering gains in each department. Over \$160,000 was added to the premium income, while the loss outgo was considerably less than for the previous year. The Niagara is now a double millionaire (assets \$2,080,950), the net surplus is \$397,713, the premium income was \$1,464,104, and the losses were \$790,014, a loss ratio of 54 per cent.

## NORTHWESTERN NATIONAL.

This Milwaukee company likewise announces gains in the several departments we are treating, and a diminished loss ratio. The figures are as follows: Assets, \$1,263,-

753; net surplus, \$242,223; fire premium, \$475,532; fire losses, \$232,521; fire loss ratio, 49 per cent.

## ORIENT.

The Orient, of Hartford, made fair gains in assets, net surplus and premium receipts, and can report a lower loss ratio. According to the annual statement the assets are \$1,551,954, the net surplus is \$130,895, the premium income was \$571,119, and the fire losses were \$338,153, or 59 per cent.

## PACIFIC.

The 1886 figures of this New York company do not vary much from those of 1885. The assets are \$751,521, the net surplus is \$339,862, the premiums were \$309,642, and the losses were \$189,817, a loss ratio of about 63 per cent.

## PENNSYLVANIA.

The Pennsylvania, of Pittsburgh, reports \$284,815 assets, \$4,906 net surplus, \$122,898 premium receipts, and \$112,514 losses. Loss ratio, 93 per cent.

## PEOPLE'S.

The People's of Pittsburgh, Pa., reports \$323,998 assets, \$27,684 net surplus, a premium income of \$151,083, and \$119,314 losses, a loss ratio of about 80 per cent. The premiums increased some \$20,000.

## PHENIX.

The Brooklyn bird gained notably last year in assets, net surplus and premium income. The assets on January 1st were \$4,910,483, and the net surplus was \$714,167. The premium income during 1885 "footed up" \$4,883,962, of which \$2,863,850 went into the pockets of the "fire-fiend." The loss ratio was 58 per cent. The usual 10 per cent. dividends were paid.

## PHENIX.

The Phoenix, of Hartford, is to be credited with considerable gains in assets and net surplus, a slight gain in premium income, and a reduced loss ratio. The assets are now \$4,488,221, the net surplus is \$921,815, the premium income last year was \$2,042,833, and the losses were \$1,236,635. The loss ratio was a little over 61 per cent. The usual \$280,000 dividends were paid.

## PROVIDENCE-WASHINGTON.

We observe that this Rhode Island company added to its assets, net surplus, and premium income, and besides incurred far fewer losses than in 1884. The figures are: assets \$964,930; net surplus, \$46,955; premiums, \$472,734; losses, \$255,393; loss ratio 54 per cent.

## SECURITY.

The Security, of New Haven, is among the gainers this year, the annual statement showing progress "all 'round." The assets are \$451,273, and the net surplus is \$68,866. The premium receipts last year were \$256,672, and the losses were \$158,354, or 60 per cent.

## SPRINGFIELD.

Assets, \$2,803,437, a gain of \$240,927; net surplus, \$410,542, a gain of \$174,168; premiums, \$1,603,366, a slight decrease; losses, \$894,864, or 56 per cent. of the premiums, a favorable decline of 6 per cent.

## ST. PAUL.

Minnesota's favorite made gains in the several departments under consideration. The assets reported January 1st were \$1,261,829, with a net surplus of \$291,912. The premium income for 1885 was \$606,442, and the losses were \$345,432, making the loss ratio about 57 per cent.

## TRADERS.

Gains in assets and net surplus are to be credited to the Traders of Chicago. The figures are: Assets, \$1,228,345; net surplus, \$359,903; premiums, \$477,691; losses, \$336,403; loss ratio, 70 per cent.

## UNITED STATES.

Assets, \$561,378; net surplus, \$227,409; premiums, \$137,316; losses, \$58,122, or about 41 per cent.

## WASHINGTON.

The Washington of Boston increased the figures in its annual statement, excepting the loss figures, which were less than for the previous year. The assets are \$1,810,273, the net surplus is \$128,019, the fire premiums aggregated \$742,877, and the losses, \$366,991. The fire loss ratio was 49 per cent.

## WESTCHESTER.

This New York company's figures are: Assets, \$1,142,569; net surplus, \$226,205; premiums, \$746,903; losses, \$355,070; loss ratio, nearly 48 per cent. Gains were made in assets, surplus, and premium receipts, and the loss ratio was reduced about 10 per cent.

## WILLIAMSBURG CITY.

The Williamsburg City, of Brooklyn, gained in assets and net surplus last year, but did not quite hold its own in premium income. Assets, \$1,218,808; net surplus, \$503,358; premiums, \$622,294; losses, \$314,117; loss ratio, less than 51 per cent.

## Portland Correspondence.

PORTLAND, OR., Jan. 25, 1886.

EDITOR COAST REVIEW:—Secretary Wallace has kindly handed me the third annual report of the Board of the Commissioners' P. P. F. D., a very neat little pamphlet, by the way. From it I glean the following facts and figures, which will no doubt prove of interest to many of your readers:

The amount expended and claims audited for 1885 aggregate \$66,800.12; the estimates asked for 1886 foot up \$68,751.70 (the latter includes deficiency during 1884 and 1885 of \$8,602.26). A very sensible hint is given by the Commissioners to the council in the following language: "As we have been in the past, so we shall in the future, keep economy and retrenchment in view. But *parsimony* would not prove economy in this branch of the city government, having many millions of dollars' worth of property depending upon its appointments and efforts." The total value of property held in trust by the Commissioners is as follows:

Real estate and improvements.....	\$86,500.00
Horses, apparatus, tools, furniture, etc....	73,582.09
Total.....	\$160,082.09

A new hose company was organized in May, 1885, in the southern end of the city, in Engine Co. No. 4's house, on the west side of First street, between Madison and Jefferson. Engine Co. No. 4 was moved to house formerly occupied by No. 5, west side of Fourth, between Mill and Montgomery streets, which, for the present, affords ample



protection to South Portland. During the year the department responded to fifty-seven alarms, this being a decrease of forty-one as compared with last year.

The remarks of Chief Engineer Morgan concerning the present water supply, I reproduce, as they will prove interesting to many companies represented here:

#### WATER SUPPLY.

"Our supply of water at present is all that could be desired, and has lately been augmented by the new pumping works of the Portland Water Company, which pump direct from the river through a thirty-inch main to their reservoirs, located at Sixth and Lincoln streets and Ninth and Grover streets, or if need be the supply can be pumped direct through mains leading throughout the city. The capacity of these new pumps alone is 16,000,000 gallons every twenty-four hours. The works located at the foot of Lincoln street are in good working order, and the Water Company at a moment's notice could start these pumps also, and thereby give us all the water we could wish for from cisterns and hydrants located on their mains. The Hydraulic Elevator Company has completed their line of hydrants, and they now extend from Market to G street, on First street, at every corner; also a line extending from Market, on Front street, to Mersey dock in the north end of the city. These hydrants are capable of throwing double streams, the pressure being 90 pounds to the square inch. I have not at this time, or for the future, any hesitancy in saying that all that portion east of Third street is amply protected and defies comparison with any city of equal importance or proportions. While we have this protection east of Third street, we have a sufficient force of apparatus and men able to cope with any fire west of that point, in what is known as the "residence portion," with the exception of the northwestern portion of the city, and I would recommend the building of a cistern on North Nineteenth and M streets."

A. J. Coffee, Jr., Superintendent of Fire Alarm Telegraph, in his report makes some pungent and practicable suggestions about necessary improvements in this department,

which, it is to be hoped, will be adopted. With but very little additional expense he clearly shows that great improvements could be had.

The Relief Association of the Portland Fire Department, organized May 9th, 1883, is in a flourishing condition, and after disbursing \$685.72 during 1885, in aid of various needy members, has a balance on hand of \$1,166.79. It is a pleasure to remark that the receipts of this worthy institution have been increasing each year. In 1883 they received \$691; 1884, \$946; 1885, \$1,381.50. Fire Commissioner Hy Ackerman is President, and Geo. L. Story is Treasurer.

#### MONTHLY LOSSES.

The losses paid by months were as follows: January, \$2,838; February, \$74; March, \$1,296; April, \$1 853.45; May, \$2,725.37; June, nothing; July, \$3,461.40; August, \$10.100; September, \$5,521.22; October, \$1,113.29; November, \$250; December, \$1,125.

#### NEW BUILDINGS.

Owing to hard times and various other causes the building operations for Portland and vicinity, during 1885, show a great falling off. It would be well for insurance agents in making other valuations on buildings to take heed. *I refer to the great decline in prices of all materials used in building;* in some cases amounting to nearly 100 per cent. less than in 1883. Buildings that cost in 1883 \$20,000 or more, can now absolutely be built, in many instances, for little more than one half that sum.

The amounts expended are about as follows:

Portland.....	\$836,500.00
East Portland.....	102,900.00
Albina.....	25,000.00
Total.....	\$964,400.00

#### FIRES.

Portland fires, up to date of this writing, are quite light, and will not exceed \$3,000.

Wallula Junction experienced a heavy fire, which destroyed the Oregon Railway and Navigation Co.'s depot and hotel building, located at that place. The fire was a rapid one, and the entire structure was soon reduced to ashes. The hotel guests all suc-

ceeded in making their escape, and most of them saved their personal effects. Nearly all the furniture and hotel appurtenances, however, were burned. The building was erected some three years ago, at a cost of \$50,000, and was one of the finest of its kind on this Coast. The insurance was placed by Saterlee, Bostwick & Martin, of New York; \$26,000 in all. These gentlemen handle all the Oregon Railway Co.'s insurance, and telegraphed Adjuster Cole, who is an old friend of theirs, to adjust immediately. The contents, valued at \$7,000, were insured for \$3,000, which was promptly adjusted by B. N. Barnett. The origin of the fire is unknown.

#### HARRY PRINDLE A FUGITIVE FROM JUSTICE.

In your January, 1884, *COAST REVIEW*, you show up one Henry Prindle in pretty strong colors. The following, from a recent exchange, will prove a fitting sequel to your article: "Some months since a quiet, genteel-appearing man, named Henry Prindle, arrived from Nanaimo, B. C., armed with a power of attorney from George LeRocque to settle up his affairs, which George had gotten into such a muddle that his absence from this country was deemed advisable. Prindle went quietly about his business, and about the first thing he did was to discount a note for \$1,000 La Rocque held against a party here, for \$800. He is said to have pawned a valuable ring belonging to or held by La Rocque, and to have collected various sums of money due him, amounting to some \$3,500. He is said to have sent but a trifling portion of this money to La Rocque, and to have advised him to stay away from here for the present. A few days since Prindle disappeared, and it is thought has left the State, taking with him the bulk of the money collected for La Rocque. In the *COAST REVIEW* of January, 1884, is an article of two pages, headed: "Harry Prindle the Swindler—A Summary of his Disgraceful Career," which gives a sketch of his history since 1871, when he was a partner in the firm of Prindle & Mangam, insurance agents, New York, which failed. Prindle then organized the People's Insurance Company of Philadelphia, and made himself treasurer, and finally fled to Europe with

from \$30,000 to \$60,000 of the company's funds. In 1876 he came to the Pacific Coast, and successively served the Trust Fund Insurance Association and several other life insurance companies, and embezzled money from each and from numerous applicants directly. This article winds up by stating that his life ever since 1880 has only multiplied the evidence of his innate depravity. He is incorrigible. He wins the confidence of his acquaintances and employers with engaging manners and quiet assurance only to betray that confidence at the first profitable opportunity."

#### ITEMS.

The Western Hotel, at Scio, Linn County, Or., was recently destroyed by fire; valued at \$4,800; insured in Firemans Fund for \$2,000.

A younglad has recently been held to answer for attempting to burn a large frame hotel here. He claims to have been incited to the perpetration of the deed by a rival hotel owner, who agreed to pay him \$5,000 if he made a successful job.

Quite a fight has been going on for some time past over the award of \$1,000, paid by the underwriters of your city for the conviction of fire-bug McGuire, in October, 1884, dividing the reward among four officers. Judge Deady's decision is universally commended.

I have been handed a very prettily arranged statement of the State Ins. Co., of Salem, Or. The outside page is devoted to the picture of a pretty little child, a paragon of innocence and simplicity. No doubt this is emblematical, and is meant to show the class that patronize this fraudulent institution. I now enclose this pretty little document for your perusal, knowing well that when your eagle eye gets a full focus on the same you will discover that "for ways that are dark," etc., the State should be awarded the prize.

The *Sunday Welcome*, a weekly journal here, has the following: "Dr. Moore, President of the Pacific Mutual Life Insurance company, intends bringing suit against Messrs. Gilman and Spaulding, bondsmen of the former Portland agent of his company (McKennie). The gentlemen named

here are well-to-do and will hardly shirk their just responsibilities.

Special agent Otho Hall recently transferred the agency of the Scottish Union and National from Messrs. Oldendorff, Harvey & Co. to Thompson & Riggan.

Jno. Crabbe, for some time past Mr. Niles' chief clerk, has been promoted to the position of assistant compact manager for Montana, with office at Helena. J. T. Kennison succeeds Crabbe in the compact office here.

Mr. Mayer, who has been accountant for the Oregon Ins. Co. since they organized, recently resigned to accept a lucrative position in the new Portland Commercial Bank. Mr. Greenhood, of your city, now succeeds him in the Oregon Ins. Co. office.

Mr. Oldendorff (Oldendorff, Harvey & Co.) is paying your city a short visit.

B. Faymonville came up on business connected with his agency.

A. C. Mackenzie, a former real estate agent, has taken Van Otterendorp's position with Messrs. Oldendorff, Harvey & Co.

Port Townsend expended \$66,700 on thirty-one new buildings last year.

#### LIFE NOTES.

The life insurance business is showing up well, and agents are correspondingly happy. One agent came to me recently very much pleased, owing to an unusual occurrence taking place of late—that is, parties absolutely coming to his office *unsolicited* to obtain life policies. This he claims, owing to the small size of this town, is very promising.

Messrs. Frances & Reed, of the Northwestern Mutual, report a very excellent year's business.

A. May (O. H. & Co.'s manager), of the Equitable, is gratified with a steady increase.

P. C. Schuyler, with his large company, the Mutual of New York, and being an old resident, is naturally showing up good results.

Andrews, of the New York Life, is doing some heavy rustling, which with him always means success.

Yours, very truly, NAOLS.

Table Showing the California Business of Accident, Fidelity, Steam Boiler and Plate Glass Insurance Companies for the Year Ending December 31, 1885.

NAME OF COMPANY.	LOCATION.	NEW POLICIES WRITTEN.			POLICIES RENEWED.			POLICIES IN FORCE DECEMBER 31, 1885.		LOSSES PAID.
		Number.	Amount.	Premium.	Number.	Amount.	Premiums.	Number.	Amount.	
*Pacific Surety Co.	San Francisco	96	\$294,133 00	\$2,948 39	228	\$618,500 00	\$4,197 45	93	\$292,933 00	.....
Accident Ins. Co. North Am.	New York	456	1,087,500 00	7,332 91	300	993,500 00	7,212 58	696	1,091,700 00	\$7,519 42
Fidelity and Casualty	New York	3	2,063,370 00	19,611 03	1,140	3,813,000 00	22,816 17	1,003	3,063,870 00	2,812 00
*Travelers Life & Accident Co.	Hartford	2,002	5,052,000 00	18,508 66				2,035	6,204,000 00	47,809 15
*Pacific Mutual Life and Accident Ins. Co.	San Francisco	1,494	4,147,000 00	20,906 50						
American Surety	New York		152,550 00	1,513 75				835	2,221,500 00	1,952 00
American Steam Boiler	New York		124,250 00	1,405 53					152,550 00	.....
Hartford Steam Boiler	Hartford	59	211,080 00	3,180 20	7	32,000 00	383 75	64	156,250 00	.....
Equity Plate Glass	New York	25	11,300 00	376 53				25	233,080 00	.....
Metropolitan Plate Glass	New York	56	28,080 00	1,132 47	65	53,006 00	1,929 22	115	80,122 00	527 13

\*Began business Aug. 4, 1885.

†Accident business only.



Table Showing Five Years Life Insurance Business Transacted in California by Companies Authorized to do Business in this State.

NAME.	YEAR.	NEW POLICIES WRITTEN.				POLICIES RENEWED.				POLICIES IN FORCE		LOSSES AND ENDOWMENTS PAID.
		No.	Amount.	Premium.	No.	Amount.	Premium.	No.	Amount.			
Etna..... Of Hartford.	1881	42	\$63,000 00	\$3,069 36	289	\$916,169 00	\$34,387 84	612	\$972,798 00	\$33,664 00		
	1882	37	80,000 00	3,701 41	289	805,541 00	31,312 91	619	997,130 00	56,040 00		
	1883	25	62,500 00	3,143 03	261	738,541 00	26,853 22	494	929,373 00	46,146 00		
	1884	5	5,000 00	352 90	242	684,659 00	26,570 83	478	925,464 00	24,292 00		
	1885	42	87,000 00	3,152 75	235	653,717 00	24,504 22	500	990,936 00	26,888 65		
Connecticut Mutual..... Of Hartford.	1881	50	146,716 00	21,065 20	672	3,446,650 00	111,760 31	999	4,170,166 00	123,904 00		
	1882	51	154,049 00	36,190 52	640	3,244,350 00	104,993 37	993	4,005,930 00	67,329 00		
	1883	47	123,813 00	22,101 19	607	3,081,100 00	97,021 31	976	3,865,219 00	131,022 00		
	1884	11	36,000 00	834 56	521	2,554,600 00	80,369 79	888	3,312,765 00	104,287 00		
	1885	35	101,678 00	7,978 00	581	2,887,800 00	91,249 46	922	3,413,443 00	81,705 00		
Equitable..... Of New York.	1881	223	1,108,200 00	48,218 87	783	3,693,450 00	128,964 18	1,208	5,175,588 00	87,481 77		
	1882	267	1,701,500 00	72,180 39	946	4,274,900 00	168,898 26	1,406	6,009,439 00	119,954 07		
	1883	320	1,490,000 00	62,229 58	955	4,608,600 00	187,140 47	1,439	6,306,887 00	261,210 24		
	1884	244	1,057,500 00	46,149 72	992	4,861,200 00	198,218 70	1,450	6,385,409 00	215,759 78		
	1885	273	1,216,000 00	48,755 63	1,087	5,151,400 00	213,221 67	1,596	6,844,093 00	98,433 63		
Germania..... Of New York.	1881	20	100,500 00	4,423 64	2,270	3,286,150 00	84,137 69	2,266	3,636,050 00	70,800 00		
	1882	27	125,200 00	5,990 66	2,162	3,144,350 00	78,841 63	2,345	3,519,530 00	117,592 20		
	1883	17	103,000 00	5,990 90	2,123	2,986,168 00	80,738 10	2,224	3,490,867 00	132,182 34		
	1884	32	149,500 00	7,761 31	2,083	2,800,601 00	72,392 14	2,294	3,454,300 00	164,567 41		
	1885	45	142,000 00	7,881 87	2,055	2,867,892 00	74,225 87	2,100	2,948,000 00	82,107 74		
Manhattan..... Of New York.	1881	13	66,500 00	3,850 81	422	1,671,347 00	43,147 70	435	1,737,897 00	68,119 17		
	1882	17	64,050 00	1,890 09	500	1,987,814 00	40,639 29	517	1,751,864 00	63,626 00		
	1883	33	159,500 00	4,537 95	508	1,700,864 00	40,863 38	556	1,859,864 00	102,298 00		
	1884	70	206,620 00	7,656 20	473	1,639,206 00	39,656 17	543	1,845,826 00	88,546 78		
	1885*											
Mutual Benefit..... Of Newark.	1881	65	256,500 00	10,318 17	252	1,113,019 67	33,318 26	350	1,420,917 00	5,000 00		
	1882	81	309,453 00	14,009 60	286	1,488,430 00	39,135 74	405	2,498,380 33	9,500 00		
	1883	104	368,800 00	16,401 10	297	1,777,200 00	43,803 65	400	1,797,387 00	35,000 00		
	1884	104	416,500 00	17,234 46	321	1,929,800 00	53,501 70	456	2,080,790 00	44,166 67		
	1885	145	533,500 00	20,728 42	418	1,590,300 00	61,596 71	696	2,209,540 00	26,666 00		
Mutual Life..... Of New York.	1881	375	1,099,655 00	47,512 66	3,155	10,829,746 00	305,944 49	3,499	11,848,909 00	383,024 61		
	1882	298	873,405 00	39,006 62	3,095	11,154,656 00	316,395 35	3,518	11,777,261 00	318,354 38		
	1883	282	965,915 00	46,545 90	3,861	11,243,601 00	324,103 60	3,582	11,961,006 00	510,433 99		
	1884	334	940,630 00	48,472 37	3,688	11,982,326 00	338,455 85	3,729	12,313,426 00	414,434 60		
	1885	374	1,159,850 00	63,576 51	2,425	9,342,285 00	353,963 65	3,824	12,613,566 00	310,272 00		

New England Mutual .....	1881	24	83,951 00	4,479 84	630	1,748,000 00	68,931 69	944	2,453,843 00	117,196 96
Of Boston.	1882	196	512,033 00	22,130 37	584	1,680,000 00	63,416 98	1,026	2,726,606 81	109,357 19
	1883	306	840,161 00	39,499 28	671	1,894,500 00	70,919 09	1,234	3,323,671 00	93,135 84
	1884	193	625,000 00	27,478 32	790	2,231,000 00	80,639 67	1,243	3,433,365 00	90,259 47
	1885	242	720,000 00	31,847 61	863	2,553,500 00	101,010 28	1,375	3,815,120 00	80,888 00
New York Life .....	1881	209	958,000 00	49,256 04	576	2,392,000 00	79,655 43	1,205	3,996,000 00	36,605 00
	1882	123	521,000 00	29,984 04	649	2,832,500 00	110,458 15	1,248	4,450,000 00	46,880 00
Of New York.	1883	132	692,000 00	44,047 04	650	3,037,000 00	111,073 50	1,260	4,461,000 00	82,070 75
	1884	74	312,000 00	16,889 57	683	3,236,000 00	124,311 18	1,265	4,620,070 00	59,278 27
	1885	109	422,500 00	21,120 51	713	3,235,000 00	136,841 18	1,270	4,600,000 00	144,795 44
Northwestern Mutual .....	1881	62	171,500 00	8,411 35	143	398,000 00	11,962 94	491	1,196,876 00	63,500 00
Of Milwaukee.	1883	157	591,233 00	25,432 89	165	745,000 00	31,108 98	518	1,388,471 00	42,040 00
	1884	104	382,250 00	20,338 20	217	887,000 00	37,646 36	538	1,447,721 00	41,844 80
	1885	86	285,100 00	13,153 65	279	887,000 00	37,646 36			
Pacific Mutual .....	1881	368	956,600 00	47,830 00	1,296	3,777,616 00	172,890 00	1,881	4,943,717 00	96,298 00
	1882	325	714,166 00	42,980 00	1,461	3,914,403 00	176,315 00	1,811	4,529,189 00	97,368 00
Of San Francisco.	1883	242	687,695 00	32,721 66	1,634	4,193,516 00	190,337 17	1,807	4,885,211 00	110,969 00
	1884	268	684,760 00	37,794 24	1,721	4,481,000 00	184,025 34	1,935	5,152,313 00	91,448 00
	1885	336	813,426 00	36,807 65	1,446	4,187,413 00	187,662 06	2,020	5,238,446 00	117,006 00
Travelers .....	1881	36	90,500 00	3,718 98	85	144,500 00	5,116 23	67	179,500 00	2,000 00
Of Hartford.	1882	33	61,838 00	2,067 78	78	210,000 00	7,462 17	98	248,088 00	2,000 00
	1883	32	89,906 00	2,363 71	104	224,338 00	9,275 50	123	320,494 00	
	1884	69	150,000 00	4,267 12	130	337,994 00	14,237 80	198	504,900 00	
	1885	38	72,700 00	1,312 91	155	390,994 00	15,765 62	202	465,030 00	
Union Mutual .....	1881									
Of Portland, Me.	1882	19	68,000 00	2,062 16	215	648,366 00	19,616 62	234	716,366 00	7,168 00
	1884	14	37,500 00	1,626 69	231	678,500 00	18,638 66	245	716,000 00	18,431 39
	1885*									
United States .....	1881									
Of New York.	1882	24	43,500 00	2,234 21	40	78,425 00	1,500 71	64	124,935 00	
	1884	5	32,500 00	942 74	56	108,515 00	3,051 60	61	141,015 00	
	1885	66	139,500 00	5,192 80						
Washington .....	1881	23	53,730 00	1,282 99	76	238,350 00	6,144 76	91	291,620 00	5,000 00
	1882	9	18,500 00	327 61	82	179,620 00	6,544 50	91	198,120 00	
Of New York.	1884	15	48,500 00	3,766 03	88	179,895 00	6,357 67	103	228,365 00	8,377 35
	1884	24	85,000 00	2,986 22	100	208,550 00	7,292 74	124	233,550 00	7,208 02
	1885	10	44,306 00	2,186 66	122	291,325 05	10,435 74	132	335,511 00	3,866 00

\* Report not filed.

Tabular Statement of the Pacific Coast Marine Insurance Business for the Year Ending December 31, 1885.

NAME OF COMPANY.	LOCATION.	SECRETARIES OR AGENTS.	AMOUNT WRITTEN.	PREMIUMS. ON SAME.	LOSSES PAID.	RATIO OF LOSSES TO PREMIUMS
<b>LOCAL COMPANIES.</b>						
Anglo-Nevada.....	San Francisco	W. J. Harrison.....	\$432,960	\$3,825 77		
California.....	San Francisco	W. H. C. Fowler.....	3,134,027	71,573 94	\$27,066 29	37.8
Commercial.....	San Francisco	C. A. Eaton.....	764,334	26,383 73	15,950 13	60.4
Fireman's Fund.....	San Francisco	Wm. J. Dutton.....	4,614,682	125,374 57	70,465 35	56.2
San Francisco.....	San Francisco	Ed. E. Potter.....	1,959,530	56,203 15	34,900 87	62.1
Union.....	San Francisco	James D. Bailey.....	7,887,454	88,125 83	68,901 90	78.2
<b>Total.....</b>			<b>\$18,772,387</b>	<b>\$371,487 01</b>	<b>\$217,284 54</b>	<b>58.5</b>
<b>EASTERN AND FOREIGN COMPANIES.</b>						
Alliance Marine.....	London	Parrott & Co.....	\$747,481	\$8,123 30	\$8,605 40	105.9
Baloise.....	Basle, Switz'd	H. W. Syz.....	1,474,406	17,914 25	17,234 99	96.2
British and Foreign Marine.....	Liverpool	Balfour, Guthrie & Co	5,296,875	74,350 53	82,355 00	110.7
Boston Marine.....	Boston	Capt. J. N. Knowles..	381,980	14,103 86	5,566 00	39.5
Canton.....	Hong Kong	Parrott & Co.....	3,970,003	40,311 27	21,048 77	52.2
China Traders.....	Hong Kong	Williams, Dimond & Co	2,045,919	8,831 56	1,262 50	14.3
Chinese.....	Hong Kong	Wm. T. Coleman & Co	1,378,943	11,609 40	22,698 00	194.7
Commercial Union.....	London	C. F. Mullins.....	3,444,907	46,427 71	58,960 70	126.9
Danube.....	Vienna	H. Balzar & Co.....	218,996	1,975 10	369 55	18.7
Feniere.....	London	Hutchinson & Mann..	2,717,197	29,962 30	2,304 00	7.7
Globe Marine.....	London	Wm. T. Coleman & Co	232,240	2,672 68	15,326 00	573.5
Great Western.....	New York	Gutte & Frank.....	3,154,352	69,083 54	68,590 21	99.3
Helvetia Marine.....	St. Gall, Switz	H. W. Syz.....	1,714,406	17,914 25	17,234 99	96.2
Insurance Co. of North America.....	Philadelphia	W. J. Dutton.....	977,831	28,918 29	13,615 06	47.1
International Marine.....	Liverpool	Donaldson & Co.....	235,380	3,347 00		
London Assurance.....	London	Parrott & Co.....	747,481	8,123 30	8,605 40	105.9
London & Provincial Marine.....	London	Hutchinson & Mann..	808,208	16,394 65	1 6	
Magdeburg General.....	Magdeburg	Gutte & Frank.....	1,210,355	9,334 50	8,463 60	90.7
Mannheim.....	Mannheim	Geo. Marcus & Co.....	100,745	969 37		
Man On.....	Hong Kong	Tuck Chong & Co.....	1,921,072	14,445 33	777 86	5.4
Maritime.....	Liverpool	E. L. Woods.....	756,720	8,131 22	12,824 14	157.7
National Marine.....	London	Gutte & Frank.....	227,368	2,146 05	5,000 00	232.9
New Orleans Insur- ance Association.....	New Orleans	Hutchinson & Mann..	722,899	9,208 75		
New Zealand.....	Auckland	Hugh Craig.....	3,705,923	34,283 58	5,692 85	16.6
North China.....	Shanghai	Macondray & Co.....	6,879,093	38,404 00	31,699 94	82.5
On Tai.....	Hong Kong	Lai Hing Lung & Co..	1,865,718	10,599 38		
Providence Washing- ton.....	Providence	W. J. Dutton.....	748,154	27,017 76	20,254 11	74.9
Reliance Marine.....	Liverpool	Henry Lund & Co.....	496,860	5,839 16	187 00	3.2
St. Paul.....	St. Paul	Hutchinson & Mann..	394,388	2,422 30		
Sea.....	Liverpool	Meyer, Wilson & Co..	1,186,006	23,090 00	23,956 00	103.3
South British and Na- tional.....	New Zealand	W. J. Callingham & Co	1,765,202	46,977 66	22,056 14	46.9
Standard Marine.....	Liverpool	Spreckels & Co.....	89,811	1,619 16		
Straits.....	Singapore	Geo. Marcus & Co.....	1,471,477	16,790 18	14,271 60	84.9
Switzerland Marine.....	Zurich	H. W. Syz.....	1,474,406	17,914 25	17,234 99	96.2
Thames and Mersey.....	Liverpool	W. G. Harrison.....	13,235,722	182,788 00	45,556 00	24.9
The Marine.....	London	G. W. McNear.....	1,364,938	41,128 54	2,487 76	6.0
Transatlantic Marine.....	Berlin	Thannhauser & Co.....	5,912,549	44,533 40	8,414 49	18.9
Union F. & M.....	Christchurch	Hopkins & Bromwell..	753,634	25,385 12	2,880 44	11.3
Union Ins. Society.....	Hong Kong	Page Bros.....	4,475,451	36,891 28	39,703 00	107.6
Union Marine.....	Liverpool	E. L. Woods.....	762,220	8,282 46	12,824 14	154.8
Universal Marine.....	London	W. B. Chapman.....	1,143,325	1,416 22		
Yangtze.....	Shanghai	Macondray & Co.....	1,751,091	14,817 00	20,006 87	141.0
<b>Total.....</b>			<b>\$84,321,752</b>	<b>\$1,024,506 66</b>	<b>\$638,345 87</b>	<b>62.2</b>
<b>Grand Total 1885.</b>			<b>\$103,094,139</b>	<b>\$1,395,993 67</b>	<b>\$855,630 41</b>	<b>61.2</b>
<b>Grand Total 1884.</b>			<b>\$119,287,744</b>	<b>\$1,438,137 20</b>	<b>\$467,402 76</b>	<b>32.5</b>
<b>Grand Total 1883.</b>			<b>\$115,275,933</b>	<b>\$1,587,349 90</b>	<b>\$966,784 00</b>	<b>60.9</b>



## California and Pacific Coast Fire Insurance in 1885.

### AN EXAMINATION OF OUR FIRE STATISTICS.

The careful reader will observe that there are several pages of insurance statistics printed in this issue, which it is here proposed to refer to. "First come, is first served;" therefore attention is called to the Coast Review Supplement just within the front page cover. It contains the official record of fire insurance in California in 1885, and the business of the Pacific Coast as reported to the COAST REVIEW by the various offices in this city. While the year made marked changes in the movement of business, as will be seen by reference to a comparison of the figures of 1885 with those of 1884, made below, it is somewhat singular that the losers of 1885 were generally the gainers of 1884.

As a class the California companies cannot complain; for while the total losses in the State increased \$753,735, and on the Coast \$378,681, they escaped with but \$53,755 of increased losses and took \$67,350 more in premiums than in 1884. Quite to be expected, there was a reduction in the amount written by the California companies in 1885, about double the amount of their increase of the previous year over 1883. Considering the business done by the other-State companies, it is found that their business of 1884 is quite reversed. Last year they lost \$13,795,864 of the amount written, and in 1884 they wrote over \$19,800,000 more than in 1883. The decrease in premiums was not one-half what 1884's increase showed. The losses were three times greater. The result was that the other-State companies suffered from both the premium loss and increase of fire loss, sending their ratio up 23.4 per cent. The foreigners got back all, and a little more with it, that they lost in 1884. In this State in 1884 the foreign companies' business, compared with what it was in 1883, showed as follows:

	Decrease.
San Francisco premiums.....	\$37,161
Amount written in State.....	3,830,071
State premiums.....	30,058
State losses.....	246,975

The past year the same companies in-

creased the amount written by \$3,334,218; increased their premium receipts in the State \$116,646, and suffered increased losses of \$370,132, so that while doing a larger business than in 1884 it cost them \$253,486 net increased loss over the increase of premium receipts, and sent their loss ratio from 27.9 in 1884 up to 45.8 for 1885. In the following table will be seen at a glance, the comparative business of 1884 and 1885, the figures given representing the increase or decrease of last year's business in the State:

#### CALIFORNIA BUSINESS OF CALIFORNIA COMPANIES.

	Increase	Decrease
San Francisco premiums.....	\$7,292	.....
Amount written in State.....		\$3,208,028
State premiums.....	67,350	.....
State losses.....	53,755	.....
Increase of loss ratio.....	2%	.....
Net increase of premiums over increased losses.....	13,595	.....

#### CALIFORNIA BUSINESS OF OTHER-STATE COMPANIES.

	Increase	Decrease
San Francisco premiums.....		\$77,400
Amount written in State.....		13,795,864
State premiums.....		127,496
State losses.....	329,848	.....
Increase of loss ratio.....	23.4%	.....
Excess of losses by fire and by decrease of premiums.....	457,344	.....

#### CALIFORNIA BUSINESS OF FOREIGN COMPANIES.

	Increase	Decrease
San Francisco premiums.....	\$36,128	.....
Amount written in State.....	3,334,218	.....
State premiums.....	116,646	.....
State losses.....	370,132	.....
Increase of loss ratio.....	17.9%	.....
Excess of losses over excess of premiums.....	253,486	.....

#### TOTAL CALIFORNIA BUSINESS.

	Increase	Decrease
San Francisco premiums.....		\$33,980
Amount written in State.....		13,669,674
State premiums.....	\$66,500	.....
State losses.....	753,735	.....
Increase of loss ratio.....	16.2%	.....
Excess of increased losses over increased premiums.....	697,235	.....
Excess of loss ratio 1885 over average for past 15 years.....	10.49%	.....

When considering the total State business of all the companies, it will be observed that while the amount written in 1885 was less by nearly \$14,000,000 than in 1884, and less than \$4,000,000 greater than that written in 1883, the premiums were \$56,500

greater than in 1884, and \$331,571 greater than in 1883. Despite the fact that the extraordinary fire losses in the State last year sent the loss ratio about 10½ per cent. above the average of the last fifteen years, and over 16 per cent. above that of 1884, it is apparent that better rates were maintained than in former years. It must be conceded by those who lost heavily that had a wild scramble for business at the inadequate rates of previous years been going on in this State in 1885, the results would have been untoward indeed. As it was, the firm tone of the business and the reliance on mutual endeavor to maintain rates by both individual and union efforts, not only strengthened the weaklings, but also added to the faith of the large companies, so that instead of an exodus of companies we find their number increasing.

#### PACIFIC COAST FIRE BUSINESS.

Taking into consideration the business of the entire Coast for the year 1885, and comparing it with that of 1884, the following changes are found:

#### PACIFIC COAST BUSINESS OF CALIFORNIA COMPANIES.

	Increase	Decrease
Amount written.....	\$5,150,266	
Premiums.....	7,535	
Losses.....	51,070	
Loss ratio.....	03.4%	

#### PACIFIC COAST BUSINESS OF OTHER-STATE COS.

	Increase	Decrease
Amount written.....	\$14,054,375	
Premiums.....	131,701	
Losses.....	\$246,086	
Loss ratio.....	13.3	

#### PACIFIC COAST BUSINESS OF FOREIGN COMPANIES.

	Increase	Decrease
Amount written.....	\$4,106,305	
Premiums.....	139,987	
Losses.....	183,665	
Loss ratio.....	04.7	

#### TOTAL PACIFIC COAST BUSINESS.

	Increase	Decrease
Amount written.....	\$15,098,536	
Premiums.....	\$751	
Losses.....	378,681	
Loss ratio.....	04.4	

Total Coast losses six years.....	\$13,881,343
Total Coast premiums six years.....	33,868,134
Average of loss ratio to premiums.....	40.98%
Excess of loss ratio 1885 over average...	02.02%

Taking a backward glance to the Coast business of 1883, it is observable that the

amount written that year was \$5,793,201 greater than in 1885, and the premiums \$284,224 less. In 1883 the California companies wrote nearly \$5,000,000 more of risks for \$24,465 less premiums than in 1885; the companies of other States wrote \$6,400,000 more in 1885 than in 1883 and received \$246,878 more in premiums. The foreign companies in 1883 wrote \$7,395,000 more than in 1885 for \$13,081 less premiums. The total amount written in 1885 by all the companies on the Coast was \$5,793,201 less than in 1883, and the premiums \$284,224 greater.

#### BY OFFICES AND AGENCIES.

The following table shows the premium receipts, the losses, and the ratio of losses to premiums by offices and agencies doing business on this Coast in 1885:

	Premiums.	Losses.	Ratio
Anglo-Nevada of Cal.....	\$16,047	.....	.....
L. L. Bronwell, two companies.....	184,892	\$99,668	53.9
C. A. Latou, two companies.....	137,496	80,866	58.8
Wm. J. Dutton, three companies.....	319,995	116,173	36.3
Home Mutual of Cal.....	271,836	127,189	46.8
W. F. Blood, two companies.....	119,126	49,748	41.8
Southern California.....	83,675	9,469	11.3
State Investment of Cal....	132,299	57,474	43.4
Ed. E. Potter, three companies.....	133,443	44,828	33.6
Union Insurance Co. of Cal	128,554	29,816	23.2
Western Insurance Co. of Cal.....	146,414	53,487	36.5
Etna.....	150,891	52,010	32.5
Hutchinson & Mann, seventeen companies.....	390,957	241,424	61.2
Smith & Moody, five companies.....	92,124	67,127	72.8
Balfour, Guthrie & Co., four companies.....	221,693	100,162	43.2
Brown, Craig & Co., three companies.....	274,795	113,151	41.2
Wm. Macdonald, two companies.....	92,898	42,637	45.9
Jacobs & Easton, ten companies.....	246,492	89,760	36.4
Tom C. Grant, two companies.....	211,777	118,255	55.9
Gutte & Frank, two companies.....	83,892	38,022	45.3
Hartford Ins. Co.....	170,092	71,927	41.0
Home and Phoenix.....	244,151	128,103	52.6
Hunt & Mitchell, two companies.....	83,893	46,610	55.6
Jos. C. Jennings & Co., three companies.....	15,481	9,665	62.4
Oliver Hawes, one company	28,033	13,757	49.9
New York Underwriters' Agency.....	53,473	6,759	12.6

Geo. D. Dornin, three companies.....	227,603	83,404	36.6
Butler & Haldan, three companies.....	163,511	90,512	55.3
W. J. Callingham & Co., two companies.....	215,077	104,066	48.4
Commercial Union Assurance Co.....	212,751	69,152	32.5
Guardian Assurance Co....	89,513	41,313	46.1
Speyer & Herold, two companies.....	115,578	39,109	33.7
Hany W. Syz, two companies.....	94,121	36,366	38. <sup>6</sup>
Robert Dixon, four companies.....	197,881	99,945	50.5
Liverpool and London and Globe.....	275,769	99,435	36.0
H. M. Newhall & Co., two companies.....	63,188	14,988	23.7
New Zealand Insurance Co.....	89,895	29,843	33.2
Prussian National.....	51,371	14,690	28.6
Falkner, Bell & Co., three companies.....	187,996	75,803	40.3
North German.....	67,566	30,758	45.5
Hagan & Mannheim, two companies.....	112,707	55,378	49.1
Svea Ins. Co.....	47,724	20,655	43.3
Transatlantic Ins. Co.....	62,703	15,801	25.2

## INDIVIDUALITIES.

In further explanation of the figures in the supplement it should be noted that the Anglo-Nevada Insurance Company began business December 1st, 1885; the Southern California began business February 21st; The Atlas entered this field August 15th; the Sun Mutual entered April 13th; the Merchants of New York entered May 8th; the Fireman's of Newark entered June 2d; the Clinton Fire of New York entered August 6th; the Franklin Fire entered May 15th; the Concordia entered April 22d; the Glasgow & London entered February 24th, wrote about \$20,000 in premiums, then re-insured its risks with W. J. Callingham's agency, and withdrew. The Caledonian entered July 24th. The Niagara was transferred November 6th from Smith & Moody's agency to Speyer & Herold. The former firm are credited in the agency figures above with \$22,131 premium receipts and \$15,430 of losses on account of the Niagara. Speyer & Herold received \$4,757 in premiums and paid \$2,373 losses on same account. The Westchester entered this field March 19th, and on September 26th was transferred from Joseph C. Jennings & Co. to A. C. Donnell & Co, who wrote \$7,398 in premiums of the amount credited in the Supplement. The Mechanics Fire withdrew during the

year. The Continental Insurance Company was transferred March 27th from Balfour, Guthrie & Co. to Hutchinson & Mann's agency. April 1st the German Fire of Pittsburgh was transferred from Hutchinson & Mann's to Jacobs & Easton's agency. In the total of San Francisco premium receipts of other-State companies \$1,893 are included, being the amount of premiums taken by the Germania Ins. Co. of New Orleans, which withdrew during the year. In the total of San Francisco premium receipts of foreign companies \$5,572 are included as representing the amount taken by the Glasgow & London Ins. Co. before withdrawal.

The business reported for the Providence-Washington Insurance Company was transacted by Wm. J. Dutton and Franz Jacoby. Messrs Hoyt & Wickes took charge of the agency January 1st, 1886.

## California Life Business.

As showing the progress and fluctuations of life insurance in California, we present elsewhere in this issue the figures for five years of the companies doing business in this State at the present time. Considering that California has experienced the fever of secret society and other forms of assessment insurance in its most active phase during the past five years; and that regular life companies have been cried down by, not only the brethren, but likewise the "organs," and a large portion of the daily press, it is strange, indeed, that the life companies have more than held their own. We are unable to give totals, because of two companies not having as yet filed their statement of their California business for 1885. The statement for 1885 of the Union Mutual of Maine has not arrived from the home office. The agent of the Manhattan Life has been very ill since the first of the year, which has caused that company's report to be delayed. But considering the other companies in the life table we present, it is gratifying to note that they have gained over one thousand policyholders since December 31, 1881, and have increased their insurance in force to the amount of over \$7,250,000. The business may not be as brisk as the companies would



desire it, but there is this to say, that the comparative table presented, taken in connection with the fact that assessment insurance in California is on the wane, shows legitimate life insurance to be fairly progressive at present and enjoying the promise of a better future.

### California Accident Business.

The following summary shows the fluctuations of accident insurance business in California, the results here given being obtained by comparing the figures of 1885 with those of 1884. It may be further stated that the Pacific Mutual began writing accident business in May, 1885, hence its figures are included under the head of increase:

No. New Policies Written.	Increase.	Decrease.
Accident Ins. Co. of N. America. ....	158	
Travelers of Hartford.....	1,027	
Pacific Mutual.....	1,494	
Fidelity & Casualty.....	1	
On total business.....	310	

Premiums on new business.	
Accident Ins. Co. of N. America. ....	\$4,218
Travelers of Hartford.....	16,528
Pacific Mutual.....	\$20,906
Fidelity & Casualty.....	4,095
On total business.....	4,259

No. of Policies Renewed.	
Accident Ins. Co. of N. America. ....	3
Travelers of Hartford.....	1,374
Fidelity & Casualty.....	9
On total business.....	1,362

Renewal Premiums.	
Accident Ins. Co. of N. America. ....	\$358
Travelers of Hartford.....	27,800
Fidelity & Casualty.....	\$50
On total business.....	28,108

Policies in force Dec. 31, 1885.	
Accident Ins. Co. of N. America. ....	115
Travelers of Hartford.....	802
Pacific Mutual.....	835
Fidelity & Casualty.....	168
On total business.....	86

Losses Paid.	
Accident Ins. Co. of N. America. ....	\$2,064
Travelers of Hartford.....	17,352
Pacific Mutual.....	1,952
Fidelity & Casualty.....	5,877
On total business.....	15,491

Whole number new policies written by four companies .....	4,660
Amount of premiums received on new business.....	\$60,379
Number of policies renewed.....	1,668
Premiums on renewed business.....	\$34,226

Gross amount premium receipts.....	\$100,605
Number of policies in force Dec. 31, 1885. ....	4,544
Amount of insurance in force.....	\$13,181,870
Total losses paid in 1885.....	\$60,085
Ratio of losses to total premiums .....	59.7

### Review of the Pacific Coast Marine Business.

In looking over the following figures and carefully comparing the present condition of affairs with those of the past, one cannot help but being alarmed at the steady decrease shown, and have unpleasant forebodings for the future. When will this downward tendency stop, is the question of all. Every marine underwriter in this city is fully aware that the going rates are not sufficient to realize any profit from his business, unless he escapes from the usual percentage of loss. The wheat fleet last year was unprecedentedly fortunate, to which is due the good showing made by some companies, and assisting the more unfortunates to decrease their percentage of losses.

A COMPARATIVE TABLE.

YEAR.	No. of Cos.	AMOUNT WRITTEN.	PREMIUM	RATIO OF PREMIUM.	AVERAGE PREM. FOR EACH CO.
1877—Locals..	5	\$20,760,390	\$511,468	2.46	\$102,293
Foreign	22	60,908,997	1,057,679	1.73	48,076
1878—Locals..	5	16,508,605	415,139	2.52	83,028
Foreign	25	60,598,165	948,194	1.56	37,937
1879—Locals..	5	13,597,037	323,154	2.37	64,631
Foreign	27	61,717,684	986,734	1.53	36,545
1880—Locals..	5	14,410,041	288,526	2.02	57,705
Foreign	28	68,240,169	954,033	1.39	34,073
1881—Locals..	5	12,283,159	299,069	2.43	59,814
Foreign	34	90,975,667	1,379,714	1.51	40,579
1882—Locals..	6	19,639,172	452,639	2.34	75,439
Foreign	40	95,709,613	1,361,029	1.42	34,026
1883—Locals..	6	20,814,646	394,149	1.91	66,525
Foreign	38	94,461,287	1,188,205	1.25	31,268
1884—Locals..	5	21,711,745	306,936	1.69	73,387
Foreign	43	97,575,999	1,066,201	1.09	24,795
1885—Locals..	6	18,772,387	371,487	1.98	61,914
Foreign	43	84,321,752	1,024,506	1.21	23,825
1877—Locals..	5	\$20,760,390	\$511,468	2.46	\$102,293
1885—Locals..	6	18,772,387	371,487	1.98	61,914
		\$1,988,003	\$139,981	0.48	\$40,379
1877—Foreign	22	\$60,908,997	\$1,057,679	1.73	\$48,076
1885—Foreign	43	84,321,752	1,024,506	1.21	23,825
Increase .....		\$20,760,390			
Decrease .....			\$33,173	0.52	\$24,251

The 49 companies doing business on this Coast show the following percentages of losses paid on premium receipts: 12 companies over 100 per cent.; 8 companies from 75 to 100 per cent.; 5 companies from 50 to

75 per cent.; 5 companies from 25 to 50 per cent.; 10 companies under 25 per cent.; 9 companies reporting no losses, of which two are late comers, and the transactions of the others are so limited that one total loss would place them with those paying away over 100 per cent. loss.

Can any one, after carefully studying these figures, find any just reason or necessity for "going for business" at non-paying rates? Can any agent, in justice to himself and to his company, afford to continue a business which ultimately proves to be disastrous? Can our foreign agencies find a reasonable excuse why, within nine years, they should decrease their ratio of premiums received, from 1.73 per cent. in 1877 to 1.21 in 1885, and assume an extra liability of \$20,760,390, and a decrease of \$33,173 in premiums, the difference shown to be between the transactions of 1877 and 1885? Were their last year's business carried on at the average rate received in 1877, it would have shown receipts to have been \$1,458,766, in place of \$1,024,506, and reduced the ratio of losses paid from 62.2 to 43.78 per cent.

We know that during the last nine years, twenty-one new companies have planted their agencies in this field, and unless our laws are modified as to the present unlimited hospitality extended to foreign capital, we no doubt shall have an agency of every marine company in the universe. Unfortunately for those companies, foreign and local, who have been identified with our marine business for many years, this wholesale and unwarranted importation of companies will pull down what has been so carefully built up, and their valuable experience thrown to the winds. Our field is small and transactions limited, and every fresh arrival means smaller premiums all round. Every company is bound to make a return, and endeavor to show a monthly increase in receipts. Through these influences we can safely say that where, a few years back, this business was carried on upon purely safe and sound principles, today it is nothing more than that of an auction mart, the lowest bidder taking the risk offered for sale.

We all know that our coasting hull business has been extremely unprofitable, causing many companies who knew how to make money out of it to retire after a few years' experience, perfectly satisfied that it could not be done at the going rates. The few now attempting this hazardous business, have joined together under rules and regulations for its underwriting, which no doubt will be the means of making this business profitable. Why cannot underwriters on cargo follow this action, and establish a tariff of rates for the guidance of all, for out of such an action could only come good?

### Our Local Companies.

#### FIGURES FROM THE ANNUAL STATEMENTS OF CALIFORNIA COMPANIES.

The annual statements of our local companies are reviewed below, in alphabetical order. Most of the companies have done fairly well on their entire business; but, with scarcely an exception, all have found the Eastern business unprofitable during the past year. At home, however, all transacted a profitable business, the average loss-ratio being only 37.4 per cent. on the Pacific Coast, and 35.2 per cent. in California.

#### ANGLO-NEVADA.

As the Anglo-Nevada Assurance Corporation has transacted only one month's business on December 31, the date of its first report, we can make no comparative analysis of its statement. For the present we may dismiss the company with the announcement that its paid-up capital is \$500,000, its assets are \$516,559.64, and its net surplus is \$5,218.51. The first month's business (\$14,186) is an indication of what will be accomplished during the present year.

#### CALIFORNIA.

We print elsewhere the annual exhibit of the California Ins. Co. The assets aggregate \$1,010,713.52, and are invested in the most desirable securities in the market. The net surplus advanced from \$112,424 to \$145,755, a gain of \$33,331. The premium income during 1885 was \$388,956.61, while the losses were \$264,239.31, or 67 per cent.

The Eastern business of the company is responsible for an increased loss ratio. It was the extraordinary losses in that rate-cutting field that persuaded the company to close many agencies in the more undesirable sections, and consequently reduced the premium income somewhat. The California shares its disagreeable Eastern experience with other local companies. In this field the experience of the company was as favorable as during 1884, the proportion of loss expenditures (44 per cent.) being about the same.

From a chart lying before us we note that the assets of the company have advanced from \$515,565 in 1879, to over a million. This increase includes an addition of \$300,000 in 1881, to the cash capital, now \$600,000.

#### COMMERCIAL.

The annual statement of the Commercial Ins. Co., of this city, possesses the usual interest to stockholders and friends, inasmuch as the figures proclaim its continued growth and prosperity. Gains were made in assets, net surplus and premium income. The assets advanced from \$411,573 to \$456,841, and the net surplus by a gain of over \$16,000, reached the sum of \$83,434. The premium income gained 17 per cent., and by an addition of over \$54,000 became \$354,489.93. The losses were about 61 per cent. of this sum, aggregating \$213,135.66.

In this field the Commercial transacted a slightly smaller business than in 1884, but reduced its loss outgo in far greater proportion, the comparative ratios being 58 and 53.

The regular growth of the company is illustrated by the following table of assets and premiums for the past seven years. The uniform prosperity is indicated, not only by the low average loss ratio, but by the fact that every year the ratio was far less than the average of all United States companies:

	Assets.	Premiums.
January 1, 1880.....	\$127,257	\$128,422
" 1, 1881.....	344,653	129,538
" 1, 1882.....	376,532	147,395
" 1, 1883.....	376,033	154,200
" 1, 1884.....	436,374	230,585
" 1, 1885.....	441,573	303,544
" 1, 1886.....	456,841	354,490

#### FIREMANS FUND.

The reader in glancing at the illuminated statement of the "largest Pacific Coast company" in this number of the COAST REVIEW, will accept the creditable character of the exhibit as a matter of course, and not as a matter of surprise. The assets were increased over \$100,000, the net surplus gained about 10 per cent., or \$31,962, which represents the growth in premium income. The specially interesting figures of the annual statement are as follows: assets, \$1,625,197.24; net surplus, \$300,283.79; premiums \$842,646.09; losses \$442,211.70. The loss ratio was 53 per cent., a trifle less than for the previous year.

On the Pacific Coast the Firemans Fund increased its premium income and maintained its low loss ratio. The premiums were \$267,504, of which 34 per cent. went for losses. The gain was made in California.

We print elsewhere a historical account of this popular company.

#### HOME MUTUAL.

If the reader will turn to the handsome colored page statement of the Home Mutual Insurance Company printed elsewhere he may read in detail its resources and business; but we shall assist him by pointing out the more interesting figures. For example, the assets are \$836,269.02, and the net surplus is the handsome sum of \$232,236.63, making the surplus to policy-holders over half a million. Nearly \$50,000 were added to the premium income, the receipts from that source in 1885 being \$487,746.59. The losses were \$289,951.44, a loss ratio of about 59 per cent. The Eastern business of the Home Mutual was not profitable last year, and the company therefore closed its Northwestern department and reinsured, but still continues its Metropolitan department. Unusual losses in the East forced the loss ratio far above the company's average, and 12 per cent. above that for its Pacific Coast business. The Home Mutual maintains a leading position in the amount of Pacific Coast business, exceeding all companies in premiums from the California business, and standing second to the Liverpool and London and Globe in the premium income derived from the entire Pacific Coast.



## STATE INVESTMENT.

The discontinuance of its Eastern business entirely has caused a reduction in the aggregate premium receipts of the State Investment Insurance Company, but a gain of nearly \$10,000 is reported in the net surplus, which is now \$54,698.51. The premium receipts last year were \$146,778.36, and the losses were 66 per cent., or \$99,751.44. This high loss outgo was due to losses on the old Eastern business which was not re-insured. There was therefore no corresponding premium income. The assets are \$345,776.29. The California and total Pacific Coast business of the company remains about the same, and the loss ratios are comparatively low. In the California business the company ranks among the foremost, the premium income from this State being \$113,238. The State Investment is now in better condition to extend its business in this field, to which it will be hereafter confined.

## SOUTHERN CALIFORNIA.

The Southern California, of Los Angeles, began business in May, 1885, with a capital of \$200,000. On December 31st \$101,325 was paid in. The assets are \$156,409.85, and the net surplus is \$4,124.33. The premium receipts for the seven or eight months during which business was done last year amounted to \$83,059.31, with losses of only \$9,469.94. The San Francisco department is under the management of H. W. Snow. No business has yet been done by the company outside of California. The business thus far done, however, is creditable to the management, in both volume and results. We may properly mention in this connection the resignation of Secretary Long, and the appointment of D. E. Miles, of Los Angeles, as his successor.

## SUN.

The annual statement of the Sun Insurance Company of San Francisco shows gains in assets and net surplus. The assets are now \$470,496.60, and the net surplus is \$50,328.48 over capital and other liabilities. The premium income last year was \$207,972.07, of which sum \$121,579.68 (60 per cent.) was absorbed by losses. The Sun shares the untoward experience of most of

its local contemporaries in the East, and its loss ratio ascends the scale in consequence. On the Pacific Coast the Sun's losses were exceedingly moderate, the loss ratio being only 35.3 per cent. The reader is referred to the full page statement printed in colors in this month's COAST REVIEW for full particulars, wherein he may read evidence of the substantial character and prosperous growth of this bright luminary of the underwriting world of San Francisco.

## UNION.

The prominent figures from the annual statement of the Union Insurance Company of this city are: Assets, \$1,125,964.16; net surplus, \$116,124.07; premiums, \$431,486.43; losses, \$228,888.77; loss ratio, 53 per cent. The assets and net surplus made a nominal increase, but the premium increase was considerable, and most of that increase was from the Pacific Coast business.

## THE WESTERN AND THE OAKLAND HOME.

The financial condition of the Western and the Oakland Home, as shown by the statements on file, together with information in our possession which we are not at liberty to use at this time, precludes any further comments on the affairs of these two locals until after the Insurance Commissioner makes a personal examination, as required by law, which will be made during the current month.

## FIRES.

November 25, Eureka, Nev., frame building:

Commercial, S. F. .... \$500

December 15, Tombstone, Arizona, dwelling:

Commercial, San Francisco ..... \$1,500

December 25, San Francisco, lithographing establishment:

Union, New Zealand ..... \$853

City of London ..... 843

South British & National ..... 2,812

December 25, San Francisco, dwellings:

Western, San Francisco ..... \$250

December 21, Oakdale, Cal., dwelling:

Western, San Francisco ..... \$250

January 18, Sacramento, Cal., frame saloon building:

Liverpool & London & Globe ..... \$349

December 31, San Francisco, general fire:	
Prussian National.....	\$650
State Investment.....	626
New Zealand.....	150
Svea.....	423

January 22, Chico, Cal., brick store building and tailors' stock:	
Liverpool & London & Globe.....	\$139
Firemans Fund.....	540

December 29, San Francisco, saloon building:	
Ætna.....	\$1,300

December 19, San Francisco, dwelling:	
Western, San Francisco.....	\$120

December 24, Lincoln county, W. T., frame building, etc.:	
South British & National.....	\$450

December 12, Virginia City, Nev., frame dwelling:	
South British & National.....	\$250

December 21, merchandise and fixtures:	
City of London.....	\$568

January 17, Alameda, Cal., furniture in frame dwelling:	
Liverpool and London and Globe.....	\$885

January 28, Folsom, Cal., saloon:	
Southern California.....	\$167

January 25, Marysville, Cal., saloon:	
Southern California.....	\$676

January 10, Grass Valley, Cal., frame building:	
Southern California.....	\$300

January 6, San Leandro, Cal., barn and hay:	
Southern California.....	\$700

January 29, San Francisco, picture frames, etc.:	
Lion.....	\$130

January 10, Butte City, Montana, millinery:	
Scottish Union & National.....	\$500
National of Hartford.....	500

January 28, East Portland, Or., dwelling and contents:	
Scottish Union & National.....	\$400
Home & Phoenix.....	700

January 10, Wallula, Washington Territory, hotel furniture and stock of wines, etc.:	
State Investment.....	\$1,000
Home & Phoenix.....	400
American, Philadelphia.....	500
Phoenix.....	500

January 11, Lemoor, Cal., dwellings and contents:	
Howard.....	\$730

January 10, San Francisco, cigar factory:	
Guardian.....	\$945
Commercial Union.....	3,000
New Zealand.....	903

January 28, South San Francisco, dwelling and furniture:	
Guardian.....	\$1,750
Fire Ins. Ass'n of London.....	1,837

January 11, Butte City, Montana, lodging house:	
New Orleans Ins. Ass'n....	\$500
Teutonia.....	400

January 12, Magdalena, New Mexico, general merchandise:	
Fire Ins. Ass'n of London.....	\$500
New Orleans Ins. Ass'n.....	850

January 17, San Francisco, stock of show cases:	
Fire Ins. Ass'n of London.....	\$564
Citizens.....	564

January 19, San Francisco, store building:	
Continental.....	\$250

January 17, San Francisco, store building:	
Fire Ins. Ass'n of London.....	\$675
Continental.....	100

January 19, San Francisco, clothing stock:	
New Orleans Ins. Ass'n.....	\$126

January 16, San Jose, Cal., dwelling, barn and hay:	
Imperial, London, Northern & Queen.....	\$625
Lion.....	400

January 19, San Francisco, merchandise:	
Imperial, London, Northern & Queen.....	\$400

January 29, Sacramento, Cal., brick building:	
Imperial, London, Northern & Queen.....	\$106

January 9, Woodland, Cal., dwelling and contents:	
Amazon.....	\$610

January 19, San Francisco, household furniture:	
American Central.....	\$600
Northwestern National.....	\$250

January 19, San Francisco, millinery:	
State Investment.....	\$700
Prussian National.....	1,126
German-American.....	1,000
Phoenix, Brooklyn.....	700
Ins. Co. State of Pennsylvania.....	200

January 4, New Tacoma, Washington Territory, general merchandise:

North British & Mercantile.....	\$500
Orient.....	1,500
Etna.....	555

January 10, Yountville, Cal., saloon:

North British & Mercantile.....	\$133
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January 25, San Francisco, brick building:

North British & Mercantile.....	\$536
German-American.....	536

January 23, San Francisco, furniture stock:

Lion.....	\$788
Prussian National.....	259
New Zealand.....	784

January 17, San Francisco, furniture stock:

Providence-Washington.....	\$260
Prussian National.....	233
Svea.....	650
North German.....	350

January 25, San Francisco, merchandise:

California.....	\$375
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January 29, San Francisco, merchandise:

South British & National.....	\$130
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January 9, San Jose, Cal., frame dwelling:

Oakland Home.....	\$130
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January 12, Seio, Or., frame boarding house and contents:

Firemans Fund.....	\$1,657
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January 15, Santa Clara, Cal., barn:

State Investment.....	\$200
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January 1, near Haywards, Cal., dwelling:

Home Mutual.....	\$250
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January 14, Butte City, Montana, general fire:

American, Philadelphia.....	\$500
Washington.....	500
Norwich Union.....	250
North British & Mercantile.....	500
Hartford.....	2,500
Firemans Fund.....	750
South British & National.....	500

Total.....\$5,500

January 18, San Jose, Cal., hay:

Commercial Union.....	\$1,150
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January 25, Marysville, Cal., frame building and merchandise:

Commercial Union.....	\$740
Royal, Norwich Union & Lancashire.....	120

January 27, San Francisco, furniture:

Providence-Washington.....	\$134
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January 31, Elmira, Cal., saloon:

Phenix.....	\$600
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January 18, Antioch, Cal., frame building:

Commercial Union.....	\$1,000
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January 31, Elmira, Cal., general fire:

Commercial Union.....	\$2,500
Hamburg-Bremen.....	1,100

January 2, Woodland, Cal., dwelling:

Home Mutual.....	\$570
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January 20, Sacramento, Cal., saloon:

State Investment.....	\$175
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January 28, Portland, Or., wearing apparel:

Lion.....	\$250
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January 22, Calaveras county, Cal., barn:

State Investment.....	\$210
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January 25, San Francisco, silver plating establishment:

London & Provincial.....	\$538
Commercial, San Francisco.....	706
Royal, Norwich Union & Lancashire.....	2,651
Firemans Fund.....	100

January 1, San Francisco, contents of dwelling:

Prussian National.....	\$3,935
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January 1, Portland, Or., fancy goods:

Royal, Norwich Union & Lancashire.....	\$200
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January 28, Portland, Or., dwelling:

Connecticut.....	\$300
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January 15, San Bernardino, Cal., dwelling:

Connecticut.....	\$375
Lion.....	521

January 1, San Francisco, tobacco and cigars:

Royal, Norwich Union & Lancashire.....	\$704
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January 19, San Francisco, frame building:

Home Mutual.....	\$1,700
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January 20, Stockton, Cal., dwelling:

Pennsylvania, Philadelphia.....	\$500
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January 30, Stockton, Cal., dwelling and furniture:

Etna.....	\$175
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January 28, San Francisco, saloon and boarding house:

Hamburg-Magdeburg.....	\$250
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January 3, San Francisco, furniture:

London & Lancashire.....	\$125
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January 16, Grass Valley, Cal., dwelling and furniture:

Sun.....	\$635
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January 28, Los Angeles, Cal., furniture:

Transatlantic.....	\$125
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January 25, San Francisco, tools and machinery:

Hamburg-Magdeburg.....	\$175
Germania, New York.....	175

January 29, San Francisco, pictures, etc.:

Transatlantic.....	\$155
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January 10, Wallula Junction, W. T., building and merchandise:

California.....	\$375
Union, New Zealand.....	375

January 10, San Francisco, merchandise:

City of London.....	\$946
South British & National.....	709

January 23, San Francisco, dwelling and furniture:

Western.....	\$135
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January 9, Los Angeles, Cal., dwelling:

Lion.....	\$325
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January 4, Oakland, Cal., dwelling:

Western.....	\$300
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January 19, San Francisco, boots and shoes:

North German.....	\$1,027
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January 2, San Francisco, cigar factory:

Glens Falls.....	\$708
Merchants, New Jersey.....	708
German, Freeport.....	708

January 4, Oakland, Cal., dwelling:

Western, San Francisco.....	\$300
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January 19, San Francisco, dry goods:

Hartford.....	\$200
German-American.....	320
North British & Mercantile.....	160
Commercial Union.....	400
Connecticut.....	240
Glens Falls.....	200
Merchants, New York.....	160
Concordia.....	160
Oregon.....	200
Springfield.....	240
German, Pittsburg.....	160
German, Freeport.....	200

January 4, Oakland, Cal., saloon:

Western, San Francisco.....	\$700
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January 11, Wells, Nev., general fire:

London & Provincial.....	\$1,775
Helvetia.....	2,219
South British & National.....	1,775
City of London.....	2,663
North British & Mercantile.....	1,252
Springfield.....	1,520
Concordia.....	1,350
German, Pittsburg.....	1,750
Clinton.....	708
Pennsylvania, Philadelphia.....	1,150
German-American.....	1,252

Total.....\$17,414

Grand Total.....\$104,532

## Coast Withdrawals and Arrivals.

During the year 1885, the withdrawals and arrivals of insurance companies in this field were as follows:

### WITHDRAWALS.

	CAPITAL.
New York Bowery.....	\$300,000
Manufacturers', of Boston.....	500,000
Germania, of New Orleans.....	200,000
Glasgow and London.....	333,150
London & Northwestern, Eng.....	309,000

\$1,333,150

### ARRIVALS.

Anglo-Nevada, S. F. (organized).....	\$500,000
Concordia, of Milwaukee.....	200,000
Clinton, of New York.....	250,000
Firemen's, of Newark.....	500,000
Franklin, of Philadelphia.....	400,000
Merchants', of New York.....	200,000
Sun Mutual, of New Orleans.....	498,971
Westchester, of New York.....	300,000
Boylston Mutual, of Boston.....	557,200
Southern California (organized).....	200,000
Atlas, of England.....	720,000
Caledonian, of Edinburgh.....	450,000
Glasgow and London.....	333,150

\$5,109,321

The increase of insurance capital represented is \$3,467,171.

## Conspiracy to Defraud Marine Companies.

The Insurance Company of North America succeeded, in the U. S. Circuit Court in New York recently, in relieving itself from a major portion of the loss which the success of a conspiracy to defraud its marine department would have imposed had the scheme not been exposed. In March, 1882, the British bark *L. E. Cann* cleared from Vera Cruz, Mexico, loaded with miscellaneous cargo. Bills of lading having been forwarded by the shippers, Graness & Laine to H. K. & F. B. Thurber of New York, the latter firm took out a policy of \$55,000 in the Insurance Company of North America, and advanced \$24,000 to Graness and \$3,400 to Laine. The bark was abandoned at sea by the captain and crew. Subsequent investigation disclosed that the vessel was loaded with a dummy cargo of merchandise, and the bills of lading were false. The captain was to get \$6,500 for wrecking the bark. The jury, in the suit which the insurance company brought, found there had been a

conspiracy to sink the vessel, but they were unable to connect Laine with it. A verdict for \$5,400 against the company on the part of the cargo represented by the Laine bill of lading was rendered, but the company was relieved of its alleged debt to Graness. The evidence showed a deliberate effort to plunder several other marine companies by heavily insuring a worthless cargo, and causing the vessel to be sunk at sea.

### The "Defunct Old-Liners."

When the Chicago *Tribune* published a list of 408 dead co-operatives, all of which had died within eight years, the advocates of co-operative or assessment insurance appreciated the disastrous effects of its publication, and to counteract it, "cooked up" a list of several hundred "defunct old-liners," drawing largely on the imagination for names, and filling in with the names of many companies that were merely projected or which never went farther than to file articles of incorporation. Actuary Harvey, of the Missouri Insurance Department, refers to this buncombe list in a communication to the Baltimore *Underwriter*. He says:

"Some abominable liar has furnished *Jottings*, a co-operative advocate of your city, with a list of several hundred 'defunct old line companies.' I notice that the list contains the names of the living companies, as well as some dead ones. For Missouri, the Covenant and German are included, both of which are not only existent, but with no signs of failure. The compiler also takes the trouble to include a dozen or more *fire* insurance companies, and others which never had any existence in this State. No one but a malicious wretch could compile so false and mischievous a list."

The substantial correctness of the list of 408 dead co-operatives has never been disproved. The list, although it covered only eight years time, was in fact very incomplete, the general absence of any supervision of the hat-passers by the States preventing anything like a thorough list of the associations which had failed. We may cite in proof of this statement, the fact that the list does not include any of the dead co-operatives on this side of the Rockies.

### Kentucky's Valued Policy Bill.

The proposed valued policy law in Kentucky goes a little beyond the usual stereotyped form of that particular abomination, in that it proposes to apply the law to partial losses, and to ignore the indemnity principle in insurance entirely so far as it relates to real property. It aims to appraise, not the loss, but the salvage, and then require companies to pay the difference between that and the face of the policy. We confess that we cannot understand the logic which underlies the usual valued policy legislation. They tell us that if a man has a partial loss, he should only have indemnity, but if the loss is total he should have the face of his policy. The Kentucky statesman who drew this bill sees the fallacy in this argument and does not propose to put a premium on total destruction. But if we are going to make of fire insurance a wager, why bother about salvage in any manner? If companies are going to bet with property-owners on the event, let them go the whole figure; \$1,000 to \$10 that there will not be a fire. That would simplify adjustments, if any one could be found to write such a gambling contract. We have no sympathy with half measures. If we are going to gamble, we want to do it thoroughly and strongly.—*Weekly Underwriter*.

### It's "All Right for Jones."

In "A Tale of Two Cities," Charles Dickens called attention to the serene and even gay conduct of the living flies that buzzed and played around among the dead ones on Madame Defarge's wine counter. They had an utter and complete disregard for death although they were nearing the glutinous decoction that had ended the career of their winged brethren. Men are much like the flies in the nonchalant way they regard death. It is conceded to be almost timely, for the man next door. Smith looks out of his window and observes the crape on Jones' house opposite, views the ice box with equanimity, and gazes with passing interest at the hearse and the undertaker. Tears, crape, undertakers, etc., are all right for Jones; in fact Jones might have expected

just such a state of things, but as for Smith he's all right. Twenty or thirty years hence will be time for him to think of cemetery lots, life insurance and other disagreeable things. This type of men are they who consider the life insurance agent a nuisance. They don't wish to be bothered. They are healthy and "can insure themselves." They are not apt to consider that the only time a man can insure, is when he is in perfect health, for life insurance companies are not seeking men with one leg in the grave for the gratification of insuring them. The uncertainty of life is an all-sufficient risk.—*Weekly Statement.*

### Reinsurance Reserve.

Custom, and we are not certain but legal decisions, have made the insurance premium a trust fund, and in the event of a failure of a company or its withdrawal from business, the insured is constituted a preferred creditor, and his claim for a return premium becomes preferred even to the exclusion of the company's obligation to pay in full its incurred losses. In some instances, notably after the Chicago and Boston fires, the loss-paying status of the assets of a number of the bankrupt companies was reduced to the minimum from these payments. No one will deny that in the event of a great calamity this practice operates to the disadvantage of the loss-claimant, and many contend that it does him an injustice, as the return premiums are in small sums, scattered over many claimants, while the losses are in large amounts and comparatively few in number. But the custom, whether it be right or wrong, fixes indisputably the fact that the proper reinsurance reserve is the exact pro rata proportion of each premium, as it bears upon the unexpired portion of its individual policy, and no estimates are needed to arrive at this sum if a system is inaugurated and maintained by which the proportions are at stated intervals correctly computed.—*Insurance Times.*

The fifth annual meeting of the Texas Association of Fire Underwriters will be held at Dallas on the 23d inst.

### Valued-Policy Legislation.

In his annual report the Massachusetts Insurance Commissioner will say:

The valued clause is defended on the ground that as a matter of equity the company should be liable for the sum of insurance it is paid a premium upon. There can be, however, no lawful equity between gamblers. Companies may be willing to gamble with the owner or other person upon the chances that a piece of property will or will not burn—and that is essentially what a policy of insurance becomes when it ceases to be a contract of indemnity. But the State should not lend its authority to enforce a contract repugnant to public morals, however willingly entered into by the equally culpable parties to it. Our courts hold that a contract of insurance made with a person who has no interest in the property is a wager and void in law. Why for like reason, should not a contract which insures for an amount more than the insurable interest be equally condemned as a wager and illegal? If a man insures his property for more than it is worth he does so, not to protect himself from a possible injury, but for the gambling chance of a possible profit. If, under those circumstances, the law assures that he shall realize the profit if the property burns, does not the law tempt him to destroy it? A contract for a consideration to pay the assured the amount of damage he may suffer is legitimate insurance, whence arises rights the law will protect. But a contract to pay more than the damage, violates the wholesome law of both private and social morality, and the parties who make it acquire no rights which the civil law should respect or honest men sympathize with. There are insurance companies willing to gamble in this sort; and with the valued policy protecting such transactions with its legal shield, legitimate insurance would suffer from the unworthy competition.

Underwriters who are skeptical as to the power of the press—there may be such—are respectfully referred to the case of the local agent in Oregon, who lost a couple of fingers in a cider-press.



## CHIPS.

—We want a few back numbers for the accommodation of subscribers who wish to complete and preserve their files of the *COAST REVIEW*. Copies of the following issues are wanted: January, February, September, November and December, 1885; January and February, 1884. Credit on subscription accounts will be made for any of the foregoing numbers.

—H. B. Wheaton, special agent, has been assigned by Brown, Craig & Co., general agents, to the management of the American Surety Co. and the American Steam Boiler Ins. Co., *vice* Van Dyck Hubbard, resigned.

—The statement of the Pacific Surety Company for the first three months of its business is flattering indeed, the premium income paying all the expenses of organization. The court business, of which the company will make a specialty, is now thoroughly organized, and the interests of that department will be pushed at all the county seats in the State.

—H. T. Smith, for four years past the city agent of the Oakland Home Insurance Co., resigned his position, to take effect on February 1st. On the second of February Mr. Smith was appointed agent for Oakland and vicinity for the London & Lancashire, the Manchester, the Caledonian, and the American of Newark. Mr. Smith, by hard work and indomitable energy has built up a very fine business in Oakland. Manager Spencer and his companies are to be congratulated in securing the services of Mr. Smith, concerning whom the *Oakland Tribune* of January 30th has the following:

H. T. Smith, for the past four years connected with the Oakland Home Insurance Company, has resigned, the resignation to take effect on February first. Mr. Smith has proved himself one of the most active and successful insurance agents on the Pacific Coast, and as he is now negotiating for an agency of his own, and will soon open an office in this city on his own account, he is certain to control a large portion of the insurance business of this locality. Mr. Smith has a large circle of friends, all of whom will be pleased to hear of this independent movement on his part, coupled as it is with such bright prospects.

—The total life insurance premium income in Great Britain was about \$80,000,000 last year, a gain of \$3,000,000.

—The Briton Medical and General Life Insurance Co., of London, has suspended. It was one of the smaller companies.

—E. D. Farnsworth, for the past six months confined to his room, is convalescent. He is now able to be down town.

—The Boylston Mutual, of Boston, has petitioned the Massachusetts Legislature for permission to drop the "Mutual" from its name.

—The Equitable Life has purchased the insurance library of the late Cornelius Walford. It is the most complete library of the kind in the world.

—C. Van Dyck Hubbard, late with Brown, Craig & Co., has been appointed a special agent by Hutchinson & Mann. Mr. Hubbard is a pioneer special on this Coast, and is a live field man.

—Wm. Frank, of Gutte & Frank, of this city, who has been in the old country since April last, is reported as being very ill at Berlin with a severe attack of rheumatism. He is expected to return in April or May.

—Hugh Craig, Pacific Coast manager of the New Zealand Ins. Co., is fitting up a handsome office in the company's building at 312 California street, where he will remove April 1st.

—A. J. Wetzlar has received the appointment from the head office of the Prussian National Ins. Co. of Stettin, Germany, as Inspector for the United States. Mr. Wetzlar's headquarters will be in San Francisco for the present, as the company's business is confined to the Pacific Coast States and Territories.

—The decline into which roller-skating has fallen is illustrated by the recent transfer of a well-known rink in this city to new hands. Six months ago the proprietor refused an offer of \$7,000 for the building, which had at least cost him double that sum. He sold it two weeks ago for \$3,000. The ground rent was considerable, and it is reported that he lost a good deal of money in running expenses.

—H. Durbrow, late cashier, has been promoted to manager of the marine department of Hutchinson & Mann's agency.

—Lindsey Webb, special agent from the home office in Milwaukee of the Northwestern Mutual Life Ins. Co., is visiting friends in this city.

—The annual meeting of the Underwriters Association of the Pacific will be held the present month, and the several committees will be expected to tell what they have learned concerning policy forms, local agents, fire departments, etc.

—W. H. C. Fowler has been elected Secretary of the California Ins. Co., *vice* L. L. Bromwell, promoted to the presidency. Mr. Fowler, who for many years has had charge of the marine department of the company, is thoroughly conversant with all the details of marine underwriting. He took his first lessons in the business in London, England, with Dumas & Wylie, underwriters at Lloyds, and remained with them from 1867 to 1870. From 1870 to 1872 he was associated with Arthur C. Waugh at New Orleans as average adjuster. In 1874 he entered the service of the California Ins. Co., and in 1882 was elected marine secretary, which position he has since held.

—A number of the stockholders of the "busted" Universal Accident Indemnity Company have asked for an investigation by the Grand Jury of a series of charges against the promoters of that swindle. It is to be hoped that the investigation will be made, though it is not likely that any new facts would be developed. Two or three men connected with the company should be made to feel the force of the law's strong arm; and in any case, the investigation would affirm the legal responsibility of Mr. Morgan to the extent of the \$25,000 he subscribed or "loaned." In the meantime claimants must look to him for the settlement of their claims, and if necessary take the matter into the courts. The stockholders also have a claim on him, for he should bear his share of the expenses and losses of the venture. Any court would require him to do so, and might put Mr. Westwater into a "bad box" for repaying the amount paid in by his friend.

—The Mutual Reserve Fund Life Association of New York has again called for double assessments, for February 1st and April 1st.

—The *Chronicle*, of New York, recently began its twenty-first year of publication. It is a newsy and indispensable insurance journal, and every underwriter swears by its tables.

—The San Francisco insurance losses reported to the COAST REVIEW during 1885 aggregated \$778,815. The losses reported to the Underwriters' Fire Patrol aggregated \$781,279. The closeness of the two totals (\$2,464 difference) is another example of the reliability of our figures and a proof of the good faith of the offices in giving their losses.

—The Providence-Washington Insurance Company, of Little Rhody, presents an annual statement which, when compared with that of last year, shows material progress within a twelve-month. The assets are now \$964,030, against \$870,054 on January 1st, 1885. The net surplus has advanced from \$21,079 to \$46,955. The premium income last year was \$472,734, a gain of \$58,449. The fire losses dropped from \$400,686 to \$255,393. The total income was \$811,161, and the total expenditures were \$745,365. The year was a prosperous one and the gains creditable to the management. It may be said that there is a favoring Providence working for the company. Messrs. Hoyt & Wickes now represent the Providence-Washington in this field.

—The Union Mutual Life Insurance Company of Maine made noteworthy gains in assets, and in the number of policies and amount written, last year, and in the policies and insurance in force. The assets are now \$2,229,460.39, a gain of \$116,374.05. The number of policies issued in 1885 was 2,276, insuring \$4,132,326, a gain of 282 and \$321,160 respectively. Policy-holders were paid \$819,676.69, making the total payments to policy-holders up to December 31, 1885, \$21,653,155.94. The insurance in force is \$24,415,517. Within five years, under the management of President De Witt, the assets of the Union Mutual have advanced from \$1,190,710.74 to the present sum, \$2,229,460.39.

# STATEMENT

Of the Condition and Affairs  
OF THE

## SUN INSURANCE CO.

Of California, on the Thirty-First day of December, 1885.

Capital, (paid up in Cash).....\$300,000 00

### Assets.

Real Estate.....	\$ 90,000 00	
United States and County Bonds. ....	128,898 50	
Loans on Bonds and Mortgages.....	180,211 00	
Accrued Interest.....	4,743 80	
Uncollected Fire Premiums.....	32,507 55	
Uncollected Marine Premiums.....	14,398 87	
Re-Insurance, etc.,.....	2,852 59	\$471,221 31

### Liabilities.

Losses Adjusted and Unpaid, in process of adjustment, or in Suspense.....	\$ 8,460 00	
Sundry Liabilities . ....	3,416 08	11,876 08
SURPLUS for Policy-Holders.....		\$ 459,345 23
Increase of Surplus to Policy holders for the year...		9,077 52

### Income.

Net Cash received for Premiums.....	\$207,972 07	
Interest and Rents.....	24,184 44	\$232,156 51

### Expenditures.

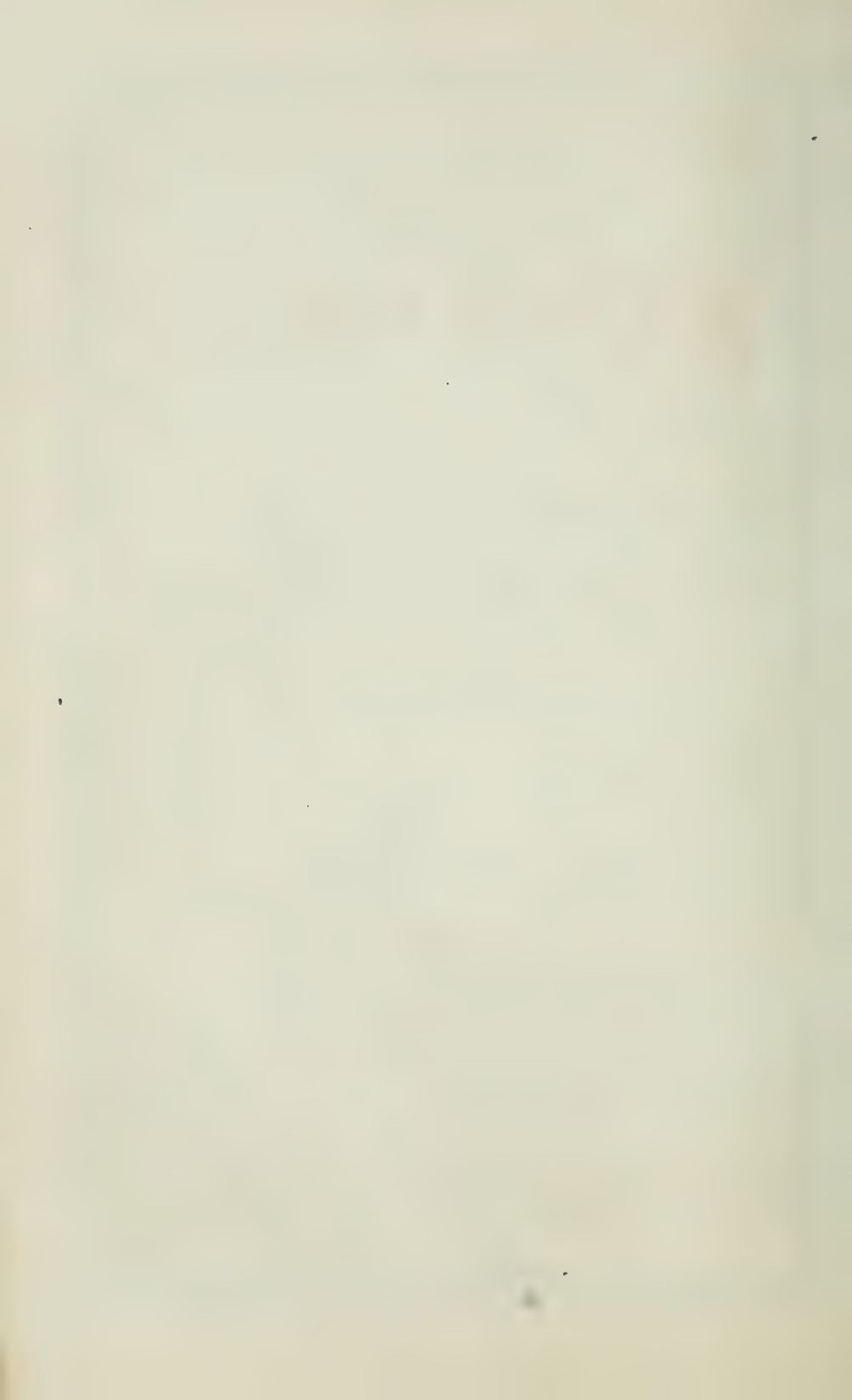
Net Amount paid for Losses.....	\$121,578 81	
Net Amount paid for Commissions.....	31,608 56	
Salaries.....	28,825 64	
Other Office Expenses and Taxes.....	24,416 04	206,429 05
Excess of Income over Expenditures.....		\$ 25,727 46
Dividends Paid.....		22,500 00

*Principal Office, 428 California Street,*

C. L. TAYLOR, PRESIDENT,

ED E. POTTER, SECRETARY.





—Charles Christensen, Secretary of the American Central Ins. Co., of St. Louis, is visiting the Coast and numerous friends. Mr. Christensen was at one time a resident of California for a year or so, and whenever he returns he renews his allegiance to "our glorious climate." Well, it is infinitely better than that of St. Louis, anyway.

—Charles R. Johnson has been appointed agent for Los Angeles County for the Hamburg-Bremen and Niagara fire insurance companies. Mr. Johnson is one of the pioneer agents of Southern California, and for many years, until he became Registrar of the Land Office, represented a number of our leading companies. He may be a bit rusty at the business now, but his old time skill will speedily return.

—C. S. Wood, for the past twenty years cashier of the Firemans Fund Ins. Co., has been granted a three-months' leave of absence by the board of directors of that company. The leave was unanimously granted, with pleasant wishes, and the hope that he would return rested and refreshed, and ready for another twenty years' management of the company's cash, all of which the COAST REVIEW echoes. Mr. Wood will visit Southern California, and endeavor to recuperate, for his strict and long devotion to his duties has resulted in a decline of health.

—We may felicitate ourselves this month on the most interesting, statistical and valuable number of the COAST REVIEW ever printed. We try to make each number better than its predecessor. So much for a bit of brag. Seriously, now, if the reader will turn over the pages of this issue, from the Chart Supplement, which serves as a frontispiece, to the very last page, he will concede that there has been an immense amount of painstaking labor required to collect and arrange, and add, and deduce ratios, and finally revise all the mass of fire, marine, life and accident figures in this month's COAST REVIEW. If a copy isn't worth 25 cents, the reader can get his money refunded if he will interview the man with a club who guards the portals of our office. "Take the elevator."

—R. H. Orton, city agent of the Hartford Fire Ins. Co., has sold his interest in the insurance business to Col. O. Woodhams, Mr. Woodhams is an old resident of San Francisco, and well known to our business men.

—Geo. W. Brooks and Alexander H. Baldwin have purchased the business of Irwin & Watson, and succeeded to the general agency of the Insurance Company of North America. Both these gentlemen are young and energetic, and will push the interests of the company.

—Several hundred extra copies of this issue of the COAST REVIEW will be mailed to non-subscribers. They are requested to hospitably entertain the thought of subscribing, and are advised that this number is a fair specimen of the usual variety of contents. Our terms are \$3.00 per year, in advance. The subscription may begin with the January number.

—From our Portland correspondent we learn that the notorious Harry Prindle is reported to have cinched one La Rocque out of several hundred dollars. La Rocque got into trouble that made his absence essential to his personal safety, and he gave Prindle the power of attorney to settle his affairs. The reader can guess the result. Prindle settled the matter very much as did the monkey in the fable, who kept the oyster and returned the shell. There is no doubt that he has "made a raise somewhere," for he now walks the streets of San Francisco dressed *a la* Beau Brummel.

—We have received too late for publication this month a full text of the decision of the United States Circuit Court, at Denver, in the case of *Sperry v. the Springfield F. & M. Ins. Co.* Judge Hallet rules that as nitro-glycerine is the base and force used in dynamite or giant powder, the term nitro-glycerine in a policy covers dynamite, etc. Several hundred pounds of this explosive were stored on the premises of the assured contrary to a clause in the policy prohibiting the storage of nitro-glycerine. The decision is one of interest and importance to all underwriters, as dynamite is a word not yet in the dictionaries nor used in policies.

—E. P. Farnsworth, special for Hutchinson & Mann, is making his semi annual trip through the Northwest.

—Mr. Brown has been reinstated as State Auditor of Iowa, from which office in March of last year he was removed by Governor Sherman.

—R. A. Maxwell has been appointed Insurance Superintendent of New York, *vice* McCall. The new Superintendent has selected Wm. B. Ruggles as his deputy.

—J. B. Levison, in charge of the marine department of Hutchinson & Mann's agency for several years past, has resigned to accept a position in the marine department of the Anglo-Nevada.

—The firm of Franz Jacoby & Co., general agents, has been dissolved, Richard Faraday retiring. Mr. Jacoby will continue the general agency of the Prussian National and the city agency of the Westchester.

—J. O. Halsey, of New York, special agent of the Manhattan Life Ins. Co., is visiting this city on business connected with the Pacific Coast agency of his company. Mr. Halsey is brother of Secretary Halsey of the Manhattan and both gentlemen have been connected with the company since its organization.

—Frank E. Thayer, manager for Montana for the New York Life Ins. Co., has been assigned to the position of assistant manager to Col. Hawes for the Pacific Coast. Mr. Thayer is one of the most successful life men in this field—one of the kind needed, too. Under the management of Col. Hawes, ably assisted by Mr. Thayer, the New York Life may be expected to make noteworthy gains in this territory during 1886.

—H. L. Howe, of Howe & Smith, Sacramento; Wm. Foss, of Foss & Staniford, San Jose, S. B. Davenport, of Stockton, and Geo. F. McLellan, H. C. Sigler and D. E. Miles of Los Angeles, were among the COAST REVIEW callers last month.

—An organization of our marine underwriters has been formed. It is styled "The Association of Marine Underwriters." The officers are: N. T. James, President; E. L. Woods, Vice-President; F. S. Butler, Secretary and Treasurer.

—D. E. Miles, of Miles Bros., agents of the Phoenix & Home at Los Angeles, has been elected Secretary of the Southern California Ins. Co., *vice* Long, resigned on account of ill health.

—A. L. Thompson, policy clerk in the Oakland Home Ins. Co., resigned on the 1st of February to accept the position of cashier of the Mutual Benefit Life Insurance Co., with James Munsell, Jr, general agent.

—The February *Overland* contains a second installment of the interesting "Lost Journal of a Pioneer," a paper on the "Old Regime in San Francisco," another discussion of the Chinese question, and a great variety of other matter.

—The Sonoma County ordinance, requiring a license from insurance companies has been repealed, and the money already paid will be refunded. This notorious bit of official folly was printed in the January COAST REVIEW. The Board of Supervisors were restored to their senses before the fool-killer appeared.

—L. B. Edwards resigned the position of general agent of the Oakland Home Ins. Co. on February 1, and on the next day was appointed Superintendent of Agents for Messrs. Balfour, Guthrie & Co.'s General Agency. Mr. Edwards is an underwriter of eighteen years' experience. With Manager Spencer in the office and Mr. Edwards and Mr. Grant in the field, 1886 is likely to make a very creditable showing for the four excellent companies comprising the agency.

—The Local Underwriters' Union, organized at Stockton last September, held their first annual meeting at the Grand Hotel, in this city, on the first Wednesday in January. About forty members were present. They discussed various topics, and listened to the reading of an interesting paper by Bruce B. Lee, of Red Bluff. The session lasted four days. At the conclusion of the deliberations the former officers and committees were unanimously re-elected. In the evening of the fourth day the members dined at the Maison Dorée, and under the pleasant social influences of the occasion became better acquainted, and therefore better qualified to work effectively as an organization.



—The Mutual Life Insurance Co. pays an average of \$26,000 a day for death claims and matured endowments.

—A spark from the smoke-stack of a steamer started a big fire at Palatka, Fla., last month. The loss was \$35,000, of which the insurance companies pay \$20,000. Smoking is a bad practice.

—Prominent citizens of Charleston, W. Va., have been arrested on serious charges of a conspiracy to burn their property for the insurance. It is alleged that some of them have of late years become rich by arson.

—The Supreme Court of Nebraska has decided, in *State v. Farmers' and Mechanics' Mutual Benevolent Association*, that the association, although a co-operative, is an insurance company, and subject to the insurance laws of the State. The Court said: "A contract by which one party, for a consideration, promises to make a certain payment of money upon the destruction or injury of something in which the other party has an interest, is a contract of insurance, whatever may be the terms of payment of the consideration, or the mode of estimating and securing the loss, and although the object of the insurer in making the contract is benevolent and not speculative."

—Two friends met on Montgomery street. "Good morning, Johnson!" "Good morning, Thompson! Deuced nasty day this. Who is that nabob stepping out of that elegant carriage? By George, it's Tom Wilson, of Milpitas!" "Yes; haven't you heard of the strike he made?" "No!" "Well, he's making money hand over fist, and spends it like a lord. Takes a spin through the park every day behind a span of high steppers, and lives on the fat of the land." "And four years ago he was 'rustling' for hash money! What's the lay-out now, faro bank or gin palace?" "Neither, but better. He's running some sort of a snide insurance company. One of these where they assess members whenever the bank balance runs light." "Oh, I see. Tom is always the — what-you-call-it — beneficiary." "Betcher life. Tom is a rascal, but no fool."

—Chicago's fire loss last year was \$2,240,841, the largest since 1874.

—Cincinnati's fire loss last year was \$873,719. Baltimore's loss was \$441,743.

—The *Argus* says that Chicago is suffering from an unprecedented number of fires, and that the fires are much more nearly total than they should be.

—Extra copies of the *COAST REVIEW* will be printed hereafter, so that old subscribers may complete their files, and new subscribers may begin with the first number of the current year. The demand for extra copies, coming from new subscribers and "transients," last year exhausted nearly every monthly supply of extras.

—We notice in the *Salt Lake Herald* that Heber J. Grant, a local agent in that city, is one of the principal stockholders. The *Herald* is a daily which was recently purchased by a stock company. Mr. Grant is well known to San Francisco underwriters as a live agent and a leading member of the Mormon church.

—The Pittsburg, Pa., Common Council has increased the pay of all the employés of its Fire Department \$30 per annum each, which sum, however, will not be paid to them, but set aside as a life and accident insurance fund for their benefit. This is better than robbing insurance companies to create such a relief fund.

—The Wisconsin Insurance Commissioner is prosecuting several companies for doing an underground business. He has service on fifteen companies. Several cases are pending in the United States Court at New Orleans. Eight of the fifteen companies have written for blanks and will comply with the Wisconsin laws.

—During the recent cold "snap" in the East, the city of Cleveland, Ohio, was for many hours placed under short water rations. The entrance to the water tunnel in the lake became choked with quantities of fine ice, thus shutting off the supply. The reservoirs were nearly emptied before the ice was removed. The situation was extremely perilous for awhile. Had a serious fire occurred, the loss might have been frightful.

—The Union Central Life Insurance Co., of Cincinnati, wrote over \$7,000,000 of new insurance last year. This company has discontinued its California agency, not finding suitable agents.

—We print this month the full text of the recent decision of the Supreme Court of California in the case of the Commercial Union v. the American Central. The suit was brought to recover re-insurance. The defendant won.

—At a recent regular meeting of the Board of Trustees of the Mutual Life Ins. Co., Robert A. Granniss was elected Vice-President; Isaac F. Lloyd, second Vice-President; Wm. J. Easton, Secretary; and other minor offices were filled. All were promoted in regular order, that being the practice and policy of the mutual. The original vacancy was the result of the death of Vice-President Andrews.

—The life agent may now present his business to the public with the utmost confidence that he can supply any reasonable demand. And that agent will succeed the best in the long run who, without regard to the immediate effect upon his own pocket, shall recommend to the applicant that form of insurance best adapted to his wants through all the future of his productive life, whatever his circumstances may be, whether prosperity attends him or adversity overtakes him.—*Geo. W. Capron.*

—The death rate of the Odd Fellows, Masons and other benevolent societies cannot be accepted as a fair criterion for assessment companies, as the managers of the latter would have the public believe. The societies mentioned have no complete death record, in fact. If we are not in error, they merely keep a burial record. A great many old men withdraw from these societies. Their deaths are not reported, nor are the deaths of thousands of members in good standing who live in remote places. If the death rate of Odd Fellows and Masons and others included the old men who have withdrawn, and the members who are not buried by their lodges, the mortality would be far greater than it appears from the burial tables.

—Geo. W. Lester, Secretary of the Orient, of Hartford, died on the 16th ult. Mr. Lester was identified with the company as its Secretary from its organization.

—"It is estimated," says a current paragraph, "that the damage caused by jack-rabbits in Tulare County, Cal., during the past season, amounted to \$50,000." Here would seem to be a loud call for a jack-rabbit insurance company.—*Insurance.*

—Judging by the universal use of the word "avocation" by doctors and lawyers and parsons, orators and editors, and other learned men, when "vocation" is meant, the editor of the *Chronicle* could not have made himself clearly understood, when he said that the publication of a weekly insurance journal was not an avocation, but a vocation. We will wager you, reader, that the next time you see "avocation" in print—dictionary excepted—the word will be misused.

—That was an ingenious rascal who, by a simple contrivance, made cats set fire to his store, and thus secured his insurance money, if not without suspicion of arson, at least without any convicting evidence of his guilt. An officer of the Brooklyn fire department gives this account of the rogue's operations: "We have excellent reasons for believing that this individual has twice set fire to his store, but we have not yet secured legal evidence sufficient for his conviction. On both occasions the flames were kindled in the same way. His method was to take a wire hoop and fasten to it quantities of fish, the pieces being placed at close intervals. This hoop was laid on a table, and in the center of it the fire-bug stood a lighted kerosene lamp. Then he turned loose in the room two or three hungry and ferocious cats, locked the door, put the key in his pocket, and went off to some place of amusement. The rest can easily be imagined. As soon as he left, the cats became engaged in a fight for the fish, the lamp was overturned, and the establishment was set on fire, the object of the incendiary being to recover the insurance money. While I am quite clear that the story is true, I have not been able to prove that the incendiary had really employed his feline flambeau intentionally."

—The Germania, of New York, has withdrawn from Florida.

—An agent was employed to secure certain insurance, which he did. Afterwards the insurance company gave notice to the agent of the cancellation of the policy. The general term of the New York Supreme Court held (*Von Wien v. The Scottish Union & National Ins. Co.*) that the notice so given was not notice to the insured, and that a clause in the policy to the effect that the insurance broker should be deemed to be the agent of the insured in any transaction relating to the insurance did not affect the question.

—The "old and tried" Glens Falls Ins. Co., of Glens Falls, N. Y., maintains its uniform growth. The annual statement, which we print elsewhere, is an admirable exhibit, showing \$1,492,283.65 assets and \$741,575.18 net surplus. In 1873 this company had \$587,210 assets and \$57,667 net surplus. In each of the thirteen years since, gains have been made in both respects. The growth has been as regular as remarkable. Last year's net premium income was \$564,333, a gain of about \$50,000. The gain in assets was \$124,258, in net surplus \$77,701. Among the assets we notice the item \$601,325 U. S. bonds. The total income last year was \$700,511.42, an excess of \$98,066.29 over expenditures. The Glens Falls is represented by Jacobs & Easton in this field, where it has always done a profitable business.

—A Seattle (W. T.) firm, subscribers, write: "We 'stand the raise' for next year, believing it is fully warranted." So say they all.

—The Star Ins. Co., of New York, has reinsured in the Westchester, and will wind up. The Star was formerly represented in this field. A year ago it had \$653,454 assets, and only \$6,398 net surplus.

—A new counterfeit twenty dollar gold piece has been discovered. It is described as follows: "It is dated 1880, and is the first of its kind that has ever made its appearance. The composition is apparently lead and glass, and it has a thin coating of wash gold. It weighs 206 grains and is slightly larger than the genuine piece. It has a ring, and unless closely examined as to color and size is likely to deceive."

—According to a Western paper, a life insurance agent has been reaping a rich harvest in Washington, D. C., since Congress convened. He is probably some prominent ex-politician, with a large circle of acquaintances at the national capital, for he has succeeded, if the account be true, in writing policies on the lives of thirty members of the Senate and House, including Dolph, of Oregon, and Loutitt, of California. He represents a New York company, and is said to have written \$2,000,000 of insurance within a month. Broken-down politicians might make successful canvassers at State capitals during legislative sessions; but we apprehend that the premiums would not be turned over with due regularity.

# PROVIDENCE WASHINGTON

Insurance Company of Providence, R. I.

ORGANIZED IN 1790.

ASSETS JANUARY 1, 1886,	-	-	-	\$964,930.00
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J. H. DeWOLF, President.

J. H. BRANCH, Secretary.

HOYT & WICKES, AGENTS,

421 California Street,

San Francisco.



# SOUTHERN CALIFORNIA

## Insurance Company

OF LOS ANGELES, CAL.

CASH CAPITAL, - - - - \$200,000.00

H. C. SIGLER, President.  
E. F. SPENCE, Vice-President.

D. E. MILLS, Secretary.  
E. F. HOWES, Treasurer.

### DIRECTORS.

Hon. JOHN G. DOWNEY, Ex-Governor of California.....	Los Angeles
Hon. E. F. SPENCE, Pres. First National Bank, and Mayor of Los Angeles.....	Los Angeles
WM. H. PERRY, Perry Mill Co.....	Los Angeles
JOHN BRYSON, Sr., Capitalist.....	Santa Ana
NELSON VANDERLIP, Capitalist.....	Los Angeles
ISAAC FELLOWS, M. D., Capitalist.....	Los Angeles
F. C. HOWES, Cashier Los Angeles National Bank.....	Los Angeles
H. C. SIGLER, Capitalist.....	Los Angeles
T. E. ROWAN, Real Estate.....	Los Angeles

H. W. SNOW, Manager,

San Francisco Department, 324 Montgomery Street.

J. R. HILLMAN and E. B. JENNINGS, Special Agents and Adjusters.

1849.

"OLD AND TRIED."

1886.

# GLENS FALLS INSURANCE COMPANY.

## 36th Annual Statement, Jan. 1, 1886.

### ITEMS OF ASSETS.

United States Registered Bonds, market value.....	\$601,325 00
Stock First National Bank, Glens Falls, market value.....	17,700 00
New York Central and Hudson R. R. registered 1st Mortgage Bonds, market value.....	66,750 00
New York and Harlem R. R.....	68,750 00
Loaned on Bond and Mortgage, first liens and accrued interest.....	536,883 41
Real Estate.....	12,575 00
Uncollected Premiums.....	54,619 34
Cash in 1st Nat'l Bank, Glens Falls, 1st Nat'l Bank, Chicago, and Mercantile Nat'l Bank, New York...	134,080 90

**Total Cash Assets..... \$1,492,283 65**

### LIABILITIES.

Capital Stock.....	\$200,000 00
Unearned Premium Fund, New York Department standard.....	514,267 12
Unpaid Losses January 1st.....	26,617 31
All other Liabilities, Department deductions, etc.....	9,824 04
<b>Net Surplus over all Liabilities.....</b>	<b>\$741,575 18</b>

### GENERAL STATEMENT FOR THE YEAR.

Income exceeds Losses, Commissions and all expenses.....	\$128,066 29
Unpaid Losses less than January 1st, 1885.....	10,121 78
Increase of accrued interest, of value of securities, etc.....	22,104 72
<b>Aggregate Gain for the Year.....</b>	<b>\$160,292 79</b>

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JACOBS & EASTON, General Agents,  
423 California Street, San Francisco.

# THE COAST REVIEW

A MONTHLY JOURNAL

DEVOTED TO

FIRE, MARINE, LIFE AND ACCIDENT INSURANCE.

J. G. EDWARDS, PROPRIETOR,

320 Sansome St., (Room 14), San Francisco, Cal.

(Take the Elevator.)

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## A United States Circuit Court Decision.

[Reported for the COAST REVIEW by Cobb, Winne & Co. of Denver.]

As nitro-glycerine is the base and the force which is used in dynamite, the term nitroglycerine in a policy of insurance covers dynamite or giant powder, etc.

A provision in the policy cannot be waived or affected by a parol understanding, however explicit, at time of application.

Custom or usage cannot prevail against a prohibition in the policy.

**NITRO-GLYCERINE INCLUDES DYNAMITE.—PAROL UNDERSTANDING.—CUSTOM OR USAGE.** Edward A. Sperry et al. v. Springfield Fire and Marine Ins. Co.; U. S. C. C., Denver, Colo., Jan. 29, 1886.—Edward A. Sperry and others, partners under the name of Sperry Brothers & Co., doing business at Garfield, in this State, brought suit against the Springfield Fire and Marine Insurance Co. on a policy issued to them on the twenty-third day of November, 1882, for the sum of \$1,000. The loss occurred in the month of October, 1883, within the life of the policy. The policy as originally issued described only a building used as a store by the plaintiffs in the town of Garfield. On the 26th of March, 1883, the policy was extended so as to cover stock in an adjoining building used by the plaintiff-

iffs as a warehouse. The agreement in respect to that matter is set up in the answer, and is as follows :

The portion of the within stock having been moved into the one-story frame building connecting with the original location, this policy is made to cover said stock now in the two buildings connecting.

That is all of the subsequent agreement relating to the stock in the warehouse, so that after this extension of the policy covenants and agreements, and all the provisions of the policy must be taken to relate to the warehouse as well as to the building in which the store was kept, and which alone was specified in the policy as originally drawn.

This policy contained a clause quite usual in such instruments, avoiding the policy if certain things should be done by the insured. Amongst other things this was specified:

If the assured should keep gunpowder, fireworks, nitroglycerine, phosphorus, saltpetre, nitrate of soda, petroleum or any of its products, naphtha, gasoline, benzine, benzole or benzine varnish, or keep or use camphene, spirit gas or any burning fluid, chemical oils, without written permission in this policy, then, and in every such case, this policy is void.

The question arises upon the clause so far as it relates to nitro-glycerine. It is fully established in the evidence that there was a large quantity of what is called dynamite or giant powder in the warehouse attached to the main building, and which was brought within the terms of the policy by this agreement of March 26th, 1883. If dynamite or giant powder is to be regarded as nitro-glycerine, then the keeping of it was forbidden by this provision of the policy. I understand the position of the plaintiffs to be that it cannot be so regarded; that it is a distinct and separate article from nitro-glycerine, and the policy cannot be avoided unless it was expressly named in the policy as dynamite or giant powder. It appears in evidence also, and it sufficiently appears also from the definitions given of dynamite, that the effective agent in that compound is nitro-glycerine. I have not found giant powder mentioned in any of the dictionaries or works to which I have been able to refer on that subject. In the edition of 1860 of the American Encyclopedia neither nitro-

glycerine nor dynamite are mentioned. In the last edition of Encyclopedia Britannica dynamite and nitro-glycerine are each mentioned, and something of the history of them is given. First as to nitro-glycerine, it is said here that it was discovered by Sobrero in 1846. Then the elements of it are given, and how it is made, and some description of it:

The first attempts to utilize the explosive power of nitro-glycerine were made by Nobel in 1863; they were only partially successful until the plan, first applied by General Pictot in 1854, of developing the force of gunpowder in the most rapid manner, and to the maximum extent, through the agency of an initiative detonation was applied by Nobel to the explosion of nitro-glycerine. Even then, however, the liquid nature of the substance, though advantageous in one or two directions, constituted a serious obstacle to safe transport and storage, and to its efficient employment; it was therefore not until Nobel hit upon the expedient of producing plastic solid preparations by mixing that liquid with solid substances in a fine state of division, capable of absorbing and retaining considerable quantities of it, that the future of nitro-glycerine as one of the most effective and convenient blasting agents was secured. Charcoal was the first absorbent used; eventually the siliceous (infusorial) earth known as "kieselghur" was selected by Nobel as the best material for producing dynamite (which see), as it absorbs after calcination from three to four times its weight of nitro-glycerine, and does not part with it easily when the mixture is submitted to pressure or frequent alterations of temperatures.

Then in conclusion of the article he says:

The most recent and most perfect form in which nitro-glycerine is now used is called blasting gelatine. This material, also invented by Nobel, is composed of the liquid and of a small proportion of so-called "nitro-cotton," which consists chiefly of those products of the action of nitric acid on cellulose which are intermediate between collodion-cotton and gun-cotton. \* \* \* blasting gelatine is rapidly replacing dynamite in some of its applications, and is already extensively manufactured in different countries.

At the head of this article the synonyms of nitro-glycerine are "Glonoin, glonoin oil, dynamites, blasting gelatine."

In the article entitled dynamite there is some reference to the substances used for compounding them. In this article it is stated that the first application of it was made by Nobel in 1863, who used gunpowder soaked with it for blasting. Then the use of kieselghur is referred to, and further on it is said that:



Another defect is its liability to part with a portion of its nitro-glycerine, especially when in contact with porous substances, such as the paper of cartridges and wrappers. That for the manufacture of dynamite the best absorbents are kaolin, tripoli, alumina and sugar; the last like alum, the material employed in Mr. Horsley's preparation, has the advantage of being separable from associated nitro-glycerine by solution in water. Dynamite as made by M. P. Champion consisted of 20 to 25 parts of nitro-glycerine with 75 to 80 parts of finely pulverized burnt clay from glass-works; and in some explosives sold as dynamite a mixture of sawdust and chalk is substituted for siliceous substances.

From what is stated here, it is apparent that almost anything which will take up the nitro-glycerine and hold it until it may be needed for use in the proportion of one-fourth or one-fifth of the whole quantity will make an explosive of this kind; and it is quite natural that each manufacturer or each person who may discover a new agent for conveying it should give it a new name, as in this article on nitro-glycerine in this volume of the *Encyclopedia Britannica*, names are given which are not in use at all in this country. I have looked in the last edition of Webster's dictionary and "Glonoin, Glonoin Oil and Blasting Gelatine" are not referred to at all; and yet in this article it is said that blasting gelatine is regarded as the best form in which it can be used, and the names which are in common use in this country as giant powder, Atlas powder and Hercules powder, and the like, are not found in the last edition of the dictionary. All of these substances are of such recent discovery and use that it has been only within a few years that they have come into the books at all. Dynamite is not defined in the edition of Worcester's dictionary of 1870, and nitro-glycerine is not in any of the dictionaries to this day; it is only in scientific works and in encyclopedias. That is certainly the first word that was adopted to describe this agent as derived from nitric acid and glycerine, and it seems to me to be perfectly clear that whatever new names may now be given to the various compounds in which nitro-glycerine is the active and effective force, that they are all well enough described in a policy of insurance by the term nitro-glycerine. It is pretty certain that some of these names which are now in use were not known at the time this policy

was issued, only two or three years ago. Dynamite was then known and perhaps was in more general use to describe this substance than nitro-glycerine, but as nitro-glycerine is the base and the force which is used in this explosive, I think that it must be said that any of these compounds are meant by the use of that name in a policy of insurance; so that the keeping of this giant powder or dynamite, or by whatever name it may be known, in this store house, was forbidden by this policy: In that feature it differs from some other cases that were tried in this Court in which judgment was rendered for the plaintiffs, in as much as this policy covers the warehouse, and the other policies did not relate to a warehouse. It was thought in those cases that in as much as the companies had forbidden the keeping of nitro-glycerine in the store, and had not inserted any provision in the policy as to keeping it near the store, they could not complain of the circumstance that it was kept in a building adjoining the store; but if giant powder and dynamite as described by the witnesses are nitro-glycerine, it is directly forbidden by the terms of this policy, and the policy declares that the keeping of such an article will make it void; that is the result unless there was some permission given at the time of the issuance of the policy which would come within the terms of the clause which I have read. As to that, it is to be observed that the policy provides that these articles are not to be kept without written permission in the policy. It is said that a Mr. Pomeroy, who examined the premises with a view to other policies on the same stock some time prior to the date of this policy, was notified that dynamite was kept in the store, and that he expressly consented that it should be kept there. There is some question whether he was then acting as the agent even of the other companies who issued policies at that time, and whether this company can be affected by what he said at that time in respect to keeping dynamite. If, however, this policy is not to be affected by any parol agreement made at the time of the application for any policy, it is immaterial and not necessary to consider whether he made such an agreement or not. In my judgment, a

provision of this kind in the policy cannot be waived or in any manner affected by a parol understanding at the time of the application for the policy, even if it is explicit and direct. In terms the policy provides that these things shall not be kept without written permission in the policy. On that subject there is a case in 15th Wallace, 664, *Insurance Company v. Lyman*. The point decided is not exactly that which arises in the case at bar, but the remarks of Mr. Justice Miller are to the point:—"Undoubtedly a valid verbal contract for insurance may be made, and when it is relied on and is unembarrassed by any written contract for the same insurance, it can be proved and become the foundation of a recovery as in all other cases where contracts may be made either by parol or in writing. But it is also true that when there is a written contract of insurance it must have the same effect as the adopted mode of expressing what the contract is, that it has in other classes of contract, and must have the same effect in excluding parol testimony in its application to it, that other written instruments have."

And further on in the same opinion: "We think it equally clear that the terms of the contract having been reduced to writing, signed by one party and accepted by other at the time the premium of insurance was paid, neither party can abandon that instrument, as of no value in ascertaining what the contract was, and resort to the verbal negotiations which were preliminary to its execution, for that purpose. The doctrine is too well settled that all previous negotiations and verbal statements are merged and excluded when the parties assent to a written instrument as expressing the agreement."

I understand that to be the rule in this class of cases as well as in others; whatever took place between Mr. Pomeroy and these plaintiffs at the time the negotiations for this policy took place, assuming that he was agent for this company at that time, or at the time of the negotiation for any other policy is not to be shown in opposition to the express language of the policy.

There was evidence also tending to prove

that giant powder and such explosives were kept in stores of this kind in the mining districts, and a custom of that kind was relied on as relieving the plaintiffs from the provisions of the policy.

In respect to any such custom, if it prevailed that also was subject to the rule which obtains in respect to any parol agreement which may have been made affecting the terms of the policy.

In *Grace and another v. Am. Cent. Ins. Co.*, 109 U. S., 278, it is said that: "An express written contract, embodying in clear and positive terms the intention of the parties cannot be varied by evidence of usage or custom. In *Barnard v. Kellogg*, 10 Wall., 383, this Court quotes with approval the language of Lord Lyndhurst, in *Blackett v. Royal Exchange Assurance Co.*, 2 Crompt. and Jarvis 244, that "usage may be admissible to explain what is doubtful; it is never admissible to contradict what is plain." This rule is based upon the theory that the parties, if aware of any usage or custom relating to the subject matter of their negotiations, have so expressed their intentions as to take the contract out of the operation of any rules established by mere usage or custom.

Of course if the plaintiffs were forbidden to keep this article by the terms of the policy they cannot bring in a custom or usage as avoiding that prohibition of the policy. If there is any such custom it cannot prevail against the express language of the policy; and if there was such a custom it could relate to the quantity which was shown to have been kept on the premises. It was testified by the clerk that there was 400 pounds; Mr. Felton testified that Mr. Sperry stated that there was 700 pounds. Mr. Sperry, when his attention was called to it, conceded that he had said something about dynamite, but did not admit that he had said it would avoid the policy; but he said nothing as to the quantity, apparently admitting that there may have been 700 pounds. The keeping of such a quantity of so dangerous a substance in such a place as that, was a remarkable act of carelessness; it was dangerous to the whole community to have such stuff as that in such

quantity in a store where people are passing and repassing, and going in and out of the store to trade.

I think the plaintiffs are not entitled to recover. The judgment will be for defendant.

HALLETT, J.  
(Orally.)

### President Kinne's Address.

#### ANNUAL ADDRESS OF PRESIDENT KINNE TO THE FIRE UNDERWRITERS' ASSOCIATION OF THE PACIFIC.

While the duty of your President is to preside, appoint committees and to direct in certain matters as laid down in our Constitution; and while I find that there shall be reports from your Treasurer and Committees at our annual meetings, and no one else, yet custom has made for me a law not to be broken, and I find myself confronted with a duty that is at once pleasant and irksome.

The expected address by the President at the meeting which marks the formal close of ten good round years of our corporate life is pleasant to prepare, for talk is cheap, and you are all good listeners; and further, there is a satisfaction in turning over the cares and responsibilities of the position to some other one whom the Association may wish to honor. The task is irksome, because I feel the impossibility to say all that I might wish, and my inability to so phrase my ideas that they shall satisfy myself, much less the many bright minds we are proud to call members.

To commence right, this being a sort of Tin Wedding Anniversary, it seems to me proper to furnish those of recent membership with

#### A BRIEF HISTORY OF OUR ORGANIZATION.

The great fire in Virginia City, Nev., in October, 1875, necessitated the service of some thirty-four adjusters for companies doing business on this Coast, and the "Fire Underwriters' Association of the Pacific" was the legitimate outgrowth of that congregation of members of the profession. For mutual protection and to facilitate the adjustment of the many losses there, a meeting was called for October 28th, in the

"Palace Car," which was side-tracked and occupied by many of the fraternity, at which Mr. B. F. Low was made Chairman, and J. W. Staples Secretary. Meetings were held from day to day, and proved of great advantage to all concerned.

At the meeting of November 13, 1875, the idea of a permanent organization took definite shape, by the adoption of resolutions perpetuating the Association as "a means of disseminating valuable information and elevating and promoting the interests of its members." A committee consisting of L. L. Bromwell, H. H. Bigelow and J. R. Garniss was appointed to draft a Constitution and By-Laws, who made their report at a meeting called for the purpose and held in San Francisco, February 23, 1876, at which time the present Association was permanently organized.

Founded on the broadest principles of united effort, our Pacific association has corrected abuses, induced thought, fostered correct practices, produced valuable essays, and statistics, and from its very inception has steadily increased in membership and influence.

AGITATION IS THE ONLY MEANS OF REFORM, and the success of our little society is an evidence of this. At our annual meetings and monthly gatherings of lesser members, questions have been discussed and ideas crystallized which each one of us is satisfied have brought more or less good into the business. It is a matter of give and take. We impart a little from our store of experience and receive information at the same time. It needs just such organizations as ours to prevent the faithful worker from becoming too much of a specialist; too narrow in his ideas and methods of carrying them out. We all need breadth of thought without superficiality. We get at the ideas and methods of others by this summing up of results and modes of thought, and in this sense our society is a school of instruction for the apt and ardent pupil, who enters a tyro, continues a student, and graduates a scholar, well up in his class. That is, of course, if he finds himself of an assimilative turn of mind, and is born with traits that fit him for the proper digestion of the pabu-



lum offered and placed to his willing lips. Not to be willing to aid those who step into our ranks, is selfish in the extreme, and will often result in personal disadvantage, for there are none possessed of such a wealth of knowledge on any subject, but can learn something more.

Again, no matter how gray our hair has become in the pursuit of legitimate premiums and honest losses, the man who works away in his own little corner, shutting his eyes to all the rest, diminishes the chances of seeing what is in that corner. Dry rot is the most insidious of all the destructive funguses, and when you once begin to wither from its effects, it is almost too late to avert the spread of the mycelial poison.

It is now twenty years since I first drew breath—and salary—in the insurance business, and as I get older am learning something new every day—especially my ignorance. If our Association has done nothing else, it has taught the men who have been engaged for six months or a year in the insurance business that they do not know everything.

THE SPECIAL OUT ON HIS FIRST TRIP, who used to think that he knew all about fire insurance—past, present and future—has become a thing to weep over as we gaze upon the marble slab that marks his official resting place and read the pertinent epitaph "*abnormis sapiens*." Yes, those who were wise without instruction have been hurried into an early tomb by ours and kindred societies.

Yet while we have driven a good deal of common sense into the Adjuster, and knocked some nonsense out of some of the wise heads in some of the back offices, we must not get too egotistical. Properly speaking, we are an association of Adjusters and Specials, and there is now and then a tendency to run into the domain of the Manager. Now, ye Manager likes ability and fondness of work in his Special; he likes an apt, thoughtful, tireless Adjuster; but for goodness' sake, leave the man at the wheel a little something to do. He is the responsible man, and must answer for all sins of omission and commission; is held accountable for reduced premiums and in-

creased losses; stands between excessive commissions and lowered dividends, and generally has lots of trouble on his mind. Let him have it. He is welcome to it, but we can come back to him from the field with smiling faces and cheerful demeanor, even if we have been beaten by a defaulting agent or an unscrupulous claimant. Of course, now and then, when we have done the very best we could—the best any one could with the material at our disposal—we may expect to be offered up as a vicarious atonement for lack of executive ability, a sacrifice to unwise economy and larger official salaries. Whether the home of the parent office be in Oakland or Glasgow, these things will happen, but the active, working, thinking Special need never have any fear for his future. Yet while he thus is in demand he cannot stand alone. He must attend our meetings during the year.

#### THOUGHT BEGETS THOUGHT.

Friction is a great thing in this world, for properly analyzed, it is almost creation. As the impact of the solar ray upon inert matter is the vivifying influence that imparts form and beauty and strength to inanimate particles, so the touch of a valuable thought imparts to the mind of another new thoughts and brightened intellect. By attending our meetings, better than any other means, can this good be accomplished and can we better learn of the magnitude and absolute dependency of one upon the other.

#### INSURANCE IS THE MOST TRUSTFUL

of any class of business. Stockholders put up coin and trust directors, directors trust officers, officers trust department managers, managers trust specials, specials trust local agents, agents trust the assured. The assured becomes a claimant and trusts the local, the adjuster, the manager, the officers and the company to pay him his loss. The relations are all close but distinct, and the moving, active principle is the Special and the Adjuster. His presence and abilities permeate the whole, and upon him greatly depends the wholesome consideration given any insurance company by the assured, whether as a payer of premiums or collector of losses.

Talking to you as Specials, let me advise you to try and become an all-round Special. Don't degenerate into the *diagrammatic* Special; don't slide round as a seductive Special, leading your agents to hanker after illegitimate things; don't try the *role* of the pompous Special. Be a man all the time, with a growing knowledge of your profession. Impart what you know of the hazards of risks, encourage the newly appointed and diffident local, and have them all paste this general maxim in their hat:

DON'T TAKE A RISK TO-DAY THAT YOU WOULD  
BE ASHAMED OF IF IT BURNED TO-MORROW.

This is the key-note. It means that the man is safer to deal with, that the moral hazard is good. It means that the valuations have been looked after, that the diagram is correct and all exposures properly represented. It means that aside from the rate-book as a fundamental guide, the local has gotten an adequate rate. With the moral hazard, physical hazard, values and rates all right, the loss may come at any time and the well seasoned or newly fledged local will have no fears in meeting the Adjuster.

But I certainly have dealt in generalities long enough. Let me speak of what we have done in our Association during the year.

#### OUR MONTHLY MEETINGS

have been well attended. We have discussed many topics, in addition to the rule which was adopted at our last annual meeting regarding the "Apportionment of Loss under Non-concurrent Policies." We have formulated our ideas into resolutions fixing "Adjusters' Fees and Expenses," the "Contribution to Adjusting Expenses," both with and without the "Adjuster's Clause," and regarding "Agents as Adjusters." These have all been printed and sent out to the companies and Adjusters, and we find harmony existing where discord prevailed. We have revised our Constitution and By-Laws; discussed the co-insurance clause; talked about the broker as a claim agent; studied over the judiciousness of managers acting as trial jurors on adjustments made in San Francisco; decided what should be deducted from a policy when part of a damaged stock

was taken at its appraised value, and generally done a deal of thinking.

#### THE STANDING COMMITTEES

have been instructed to inaugurate a new departure in the way of their reports at this meeting. It is expected that each member will present his individual ideas in writing and not unite in a joint report; the same idea differently expressed is often thereby made more expressive. I anticipate good results from this method. Shorter papers, more tersely expressed and the same topic differently treated. Some committees will, no doubt, apportion their work under this new "Kinne rule," and equitably divide the labor and honor instead of one of the three bearing the laboring oar. In addition to these reports, I have asked for special addresses on varying topics from various members, as you see announced, which will, I think, add to the interest of the meeting.

Before closing, it becomes my duty to mention the decrease of our numbers by the death of two of our members, whose familiar faces can no longer be seen among us, but whose memory will be ever green in the minds of all who have been associated with them in our profession. As they are "mustered out," others step in to fill the vacant ranks; but the words of counsel and the congenial atmosphere of A. P. Flint and S. O. Hunt will never be forgotten.

And now, gentlemen, consider this address as simply an introduction to the intellectual feast to come. Digest the various dishes that will be set before you, looking well to the meat that is in them and not to their garnishment. Chicken salad is often made of veal, so look out for sophistries, but yet remember that out of the mouths of babes often cometh wisdom. Not much, but *some*—and for what we are about to receive may we be truly thankful.

Most of the Continental fire offices operating in Great Britain, through reinsurance treaties with large British offices, having found the business very unprofitable, are withdrawing, thus leaving many English companies with insufficient reinsurance facilities.

### Influence of Association.

A PAPER BY GEO. F. GRANT, READ AT THE TENTH ANNUAL MEETING OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE PACIFIC.

The influence of association commences with earliest recollections at a mother's knee, it grows with our growth, gaining strength daily according to the circumstances of our lives and the people with whom we come in contact. It finds definition in such old sayings as "A man is known by the company he keeps," "Evil communications corrupt good manners," "Birds of a feather flock together," etc.

The object of this paper, however, is to narrow the subject, treating of one class of men engaged in the same business. The word *association* as used will more particularly apply to a society of individuals united or joined in interest, in which the influence is to move or direct by moral power. In insurance affairs the influence of association tends to reconcile theory and practice.

There is my paper in condensed form; I wish for your sake and mine it closed thus; that customary courtesy due our respected President required no further verbiage. In the matter of directing insurance people by moral power, experience has plainly shown that a full and free discussion, followed by a deliberate ballot, is fair and convincing. It is unwise to attempt to crowd an issue or to overpower a minority in haste, simply because of strength in numbers; such a course breeds discontent. Much more injudicious is he who endeavors to force reform in an individual capacity; there is a latent suspicion of an ulterior motive, if not, then as a crank he loses his influence.

Moral power asserts an unconscious influence on all deliberations, but to claim morality as the basis of an argument is a risk, being suggestive of camp meeting tactics, often resulting in charges, counter-charges and a cross fire of explanation. He who stands head and shoulders above his associates in moral reputation is a brief speech maker, but he wields a modest power which often decides a ballot; his influence has been known to dissolve a majority even

when they were pledged among themselves for an object; such men are safe instructors, guides and friends.

By means of an association the best there is in every member is concentrated on affairs of general interest, by means of discussion the subject in hand is thoroughly ventilated, by means of the ballot a record is made by which individual reputation becomes established; when an individual loses his influence he subsides, but when a society loses its influence it dies. Did you ever know an association to die when the majority were for the best good to the greatest number? Never!

There is a distinction to be noted between the influence of a misguided person and one morally indifferent; observe the man full to the brim of health and vitality, his very opinions are robust, his language is vigorous, he overrides opposition with such fiery speech and action that he carries momentary conviction by his audacity, by mere will power; when defeated he still fights. If on reflection he sees fit to change his views, he boldly makes the announcement without a blush or the quiver of an eyelash, his influence is felt, he keeps the troubled waters ever at a boiling point, he exposes many an error and helps to correct many an evil; he can move, but he has not the moral force to control the association. He can be skillfully captured by those desiring a volunteer for a forlorn hope, and is generally known as the leader of the opposition. You know where to range him every time, which is more than can be said of the morally indifferent person. In him we have a subtle malcontent, the effect of whose schemes may not be noted until a serious mischief is done. The influence of association on such a one is to gradually narrow the power to do harm by exposing each trick as found; his fertility of brain exhausts itself in time, and the longer the association holds together the worse for him and the better for all others concerned.

Then again, minds become broadened by frequent contact with important subjects; a silent listener absorbs information, and often surprises his associates by a sudden display of knowledge of which he was not



suspected. Discussion is a practical educator. It is true of all students that mere theory or book learning unfits them for the world of business. He who cannot impart to others, or who is unwilling to share the jewels of his mind with his associates, is neglecting one of God's best gifts to man, he leads a selfish, unsympathetic life, takes his brilliant gifts out of the world at death, and like a sponge, having absorbed to the full of its capacity, gives back nothing but a suggestive odor or a spot to mark its resting place.

How best to control the ideas of man so that the working of our business may be exalted, is now and ever has been a problem. To combine theory and practice is to reach perfection. Of all the toilers engaged in matters of fire insurance, I believe the special agent to more nearly accomplish this result; he has this advantage over his superior officer: he has time to devote to one object until it is completed. In the field everything favors him. He receives attention as a visitor; he has the ear of the whole community; the quiet of the interior rests and refreshes him; there is an Arcadian simplicity about the people with whom he transacts business strongly at variance with city manners; he delivers his opinions to an audience satisfied to listen and willing to be convinced. Now, if the influence of association is on these special agents as they come and go; if they are of the same general opinion in regard to the practical working of the business, rivals though they be, their influence in turn not only directs the local agent, but permeates a whole community. Society at large is tinted with their views in a suprisingly short space of time; their influence is also potent at headquarters; in matters of importance in the management of agency affairs their word is practically law; nor is it alone in the correction of errors that the special is noticeable—he can create them. Let me cite an instance, a sore spot on the business—"credit." This evil can be easily and effectually cured by special agents, if they so agree.

I have written to no purpose if I have not demonstrated the importance, I will even

say the absolute necessity, of this association; it is to the business as lungs to a body, and I warn you, friends and associates, it is in danger. Ten years have rolled around since first we met; we have cherished the sentiment of its birth, we have dropped a tear on the grave of those comrades who have left the ranks, and closing up we touch elbows on the march. We have rejoiced with those who have been promoted, and have mourned with those who mourn. Thin locks and gray beards show plainer year by year, and yet, my comrades, we have taken no note of time. Those of us who were young ten years ago are ripe and mellow now. We do forget the rising generation—We forget the helping hand so much appreciated in our own boyhood. Our world is bounded by the roll call of 1875.

The *Monitor* of November last contained an article headed, "What ails the Northwestern Association?" From this distance I apprehend it is the same danger of which I warn you—want of association. This is what is getting in its killing work. New faces and young blood are pushing the ancients from their business stools. The ancients, forgetting the trials of fifteen years ago, resent this intrusion of fresh material, forgetting that they furnished the very theories and ideas upon which the rising generations thrive. The remedy is simple. Be to them as were the great hearted men of your day—Flint, and Hopkins, and Lowe. Invite these young men to join your ranks. Encourage them to write, and discuss matters of mutual interest. Be to them the mentor and friend. In short, now, more than ever, is the time to cultivate each other with renewed purpose, to devise a plan whereby theory and practice can more nearly join and be maintained, by the influence of association.

In closing, a few words to the local agent. Many of you have advocated a union or association of local agents. Since our last meeting, this has been done. It is a move in the right direction. The time is not far distant when the intelligence of a local agent will direct the affairs of his calling into safe and legitimate channels. Discussion, interchange of views and stated

meetings will have the effect of weeding out the chaff and subduing the bombast. The local agent has ever been recognized as a power in the land. The influence of association will expand and broaden his power for good.

### Forms of Policies.

A PAPER BY W. L. CHALMERS, READ AT THE TENTH ANNUAL MEETING OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE PACIFIC, FEBRUARY, 1886.

When our President appointed the various committees for the present year he expressed a wish that each member of said committees should prepare a paper, instead of leaving the work to the Chairman, as has been the practice heretofore.

In accordance with that request, as a member of the Committee on Forms of Policies, I propose now to say something upon that subject, confining my remarks to the clause in our policies relating to appraisements, and the forms of agreement for appraisal.

I have selected this particular branch of the subject because only a short time since I was interested in a suit brought by a claimant against certain companies, arising out of a loss adjusted by me. In that case the plaintiff endeavored to show that the appraisal had been irregular, and therefore void, alleging that before going into the appraisal there had been no disagreement as to the amount of the loss. (As to that, I may remark in passing, the claimant signally failed.)

During the trial I had the privilege of listening to the law relating to appraisements, as presented to the Court by that well-known and very able insurance lawyer, T. C. Van Ness, Esq., who appeared for the companies, and to whom I am indebted for many of the following suggestions.

It is well settled law that the companies cannot by the provisions of their policies compel the insured to submit any question other than one of fact, to arbitration. Hence, agreements to "submit all matters in dispute, or any question of difference that may arise," and similar provisions in

policies, have been held to be void, as going to the root of the contract and tending to oust the courts of their jurisdiction. And it is doubtful whether the usual arbitration clause of the policy can be enforced, unless in the body of the policy it is provided that the liability of the company, or its agreement to pay, shall be subject to the terms and conditions of the policy. The best language to use in this regard, and which makes the arbitration clause operative beyond question, is substantially this—

And said company promises to make good unto the assured, etc., etc., such loss and damage, etc., etc., the amount of such loss and damage to be estimated according to the actual cash value, etc., etc., and if not agreed upon between the insured and the company to be ascertained and adjusted in accordance with the provisions of this policy, and to be paid sixty days after notice and proof as required by the terms of their policy shall, etc., etc., and the ascertainment and adjustment of the amount of loss as herein provided.

Your policy provisions being sufficient to entitle you to an appraisal, or in other words, an arbitration as to the amount of loss, you must be careful to put yourself in a position to render a suit at law impossible in the absence of such arbitration, and, in case such suit be brought, to defeat it upon the ground that the policy provision has not been complied with. In this connection two things are to be borne in mind. In the first place, an arbitration would neither be necessary nor proper unless a disagreement should exist as to the amount of the loss. It is therefore incumbent upon the adjuster, in case he does not like the appearance of the loss, to create, promptly, the necessary difference of opinion. I know a case recently tried in this city where the refusal of the company to pay was based wholly upon a belief that the insured had less stock than he claimed, and one of the defenses was the failure of the insured to arbitrate. But the company's record upon this point was so defective that the plaintiff was enabled to make it appear in evidence that no difference of opinion as to the amount of loss had ever arisen. To create this difference of opinion, then, is the first and necessary thing to do, to make the record of it so complete that the insured cannot deny it; the next, the most effective

# STATEMENT

OF

## The Mutual Life Insurance Co., of New York.

RICHARD A. McCURDY, President,

For the year ending December 31st, 1885.

**ASSETS.....\$108,908,967 51**

### Insurance and Annuity Account

	No.	Amount.		No.	Amount.
Policies and Annuities in force January 1st, 1885 .....	114,855	\$ 351,815,941 07	Policies and Annuities in force January 1, 1886.....	120,952	\$368,981,441 36
Risks Assumed.....	14,334	46,507,139 16	Risks Terminated.....	8,247	29,341,638 87
	129,199	\$393,323,080 23		129,199	\$398,323,080 23

*Dr.*

### Revenue Account

*Cr.*

To Balance from last account.....	\$97,009,913 08
" Premiums.....	14,768,901 93
" Interest and Rents.....	5,446,052 35

By paid to Policy-Holders:	
Endowments and Purchased	
Insurances.....	\$5,270,116 34
Dividends and Annuities...	3,211,900 00
Deceased Lives.....	5,920,033 56
	\$14,402,049 90

By other Disbursements:	
Commissions and Commu- )	
tations.....	\$1,228,679 84
Taxes.....	266,656 50
Expenses.....	931,954 14
	2,487,290 48

By Premium on Stocks and Bonds purchased.....	469,882 87
By Balance to new account.....	99,865,614 11

\$117,224,867 36

\$117,224,867 36

*Dr.*

### Balance Sheet

*Cr.*

To Reserve for Policies in force and for Risks terminated.....	\$103,846,253 00
" Premiums received in advance.....	50,080 73
" Surplus at four per cent.....	5,012,633 78

\$108,908,967 51

By Bonds secured by Mortgages on Real Estate.....	\$49,228,930 16
" United States and other Bonds.....	39,366,104 00
" Loans on Collaterals.....	3,856,500 00
" Real Estate.....	10,992,720 45
" Cash in Banks and Trust Companies, at Interest.....	2,619,643 21
" Interest accrued.....	1,217,329 85
" Premiums deferred and in transit.....	1,438,189 55
" Sundries.....	189,550 29

\$108,908,967 51

I have carefully examined the foregoing statement, and find the same to be correct.

A. N. WATERHOUSE, Auditor.

From the Surplus above stated, a Dividend will be apportioned, as usual.

NEW YORK, January 20, 1886.

### BOARD OF TRUSTEES.

SAMUEL E. SPROULLS,  
LUCIUS ROBINSON,  
SAMUEL D. BABCOCK,  
GEORGE S. COE,  
JOHN E. DEVELIN,  
SEYMOUR L. HUSTED,  
RICHARD A. McCURDY,  
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NICHOLAS C. MILLER,  
HENRY H. ROGERS,  
JNO. W. AUCHINCLOSS.

A. B. FORBES,

General Agent for the Pacific Coast,

No. 214 Sansome Street, San Francisco





manner of preserving the record upon this point is to write a letter to the insured stating squarely that the company is of the opinion that the loss is not as claimed by the insured, and at the same time demand an arbitration. Have this letter delivered, *and the proof of such delivery preserved*. If these very simple precautions are observed the insured must either arbitrate or be beaten in any suit he may elect to institute.

In these arbitrations great care should be taken to have the property, the damage to which is to be appraised, described with certainty, both in the submission and the award, otherwise the whole proceeding may fall to the ground.

Lastly, if any papers are referred to in the award as constituting a part of it, as for instance an itemized statement of materials, this paper should be attached to the award—without this the award would not, properly, be receivable in evidence.

At our annual meeting three years ago, as Chairman of the Committee of Forms of Policies, I had the honor to prepare and read a paper on that subject. In that paper I suggested that the task of framing the conditions of our policies should be delegated to the most experienced men in the business, aided by a learned and able jurist, so that when, unfortunately, we had to go into court, our policy conditions would stick, and not be treated as if only "sound and fury signifying nothing." Carrying out my own suggestion, and for the purposes of this paper, I requested Mr. Van Ness to draw up a legal form of agreement to submit to appraisal. This he kindly did. I now submit it as follows:

#### AGREEMENT FOR APPRAISAL.

Whereas, the insurance company hereafter named, to-wit: \_\_\_\_\_ has heretofore insured on the following described property, and as follows, to-wit: (Describe property covered by policy.)

And whereas, by a fire occurring on the \_\_\_\_\_ day of 188-, the said property was, it is claimed, (Here insert whether totally or partially destroyed.)

And whereas, the insured in said policy named \_\_\_\_\_ and the said company are unable to agree as to the sound cash value of said property at the time of said fire, and the amount in money of the damage thereto by reason of said fire, and a difference of opinion in that regard has arisen between the said parties:

Now, therefore, that the sound cash value of the said property at time of said fire, and the amount in money of the damage thereto, by reason of said fire, may be fixed, and that the amount for which said company is liable by virtue of policy, if at all, shall be determined, it is hereby covenanted and agreed by and between said insurance company above named, and the said \_\_\_\_\_ insured under said policy, that the sound cash value of the property above mentioned, at the time of said fire, as well as the amount of the actual loss or damage to said property by reason of said fire shall be determined by three appraisers to be selected as follows, to-wit: one to be chosen by the insured, one by the company, and the two so chosen to select a third to act as umpire as to all matters in which they shall disagree, and the said appraisers so chosen as aforesaid shall estimate, appraise and determine the true sound cash value of said property at the time of said fire, and also the amount of the actual loss or damage to said property by reason of said fire, and a true return and award, under oath, of said value and damage shall by them be made, and a copy thereof delivered to each of the respective parties.

The said estimate and appraisement shall be made in the manner following, to-wit:

The appraisement and award said appraisers, or any two of them, pursuant to this agreement, shall finally determine between the above named company and any person or persons making claim against the said company by virtue of the said policy the sound cash value of said property at the time of, and the amount of loss or damage thereto by reason of, said fire, and shall conclude both parties as to the amount to be paid under said policy if the company shall be liable for any loss thereunder, but shall not determine the liability of said company nor any other question or matter of difference between the said parties other than the amount of sound cash value and of loss or damage, and it is expressly understood, covenanted and agreed that the submission to appraisal herein provided for, nor said appraisal or award nor any act, matter or thing in connection therewith shall not operate as, nor be taken to be, a waiver by the said company nor any of them, of any provision or condition of policy if \_\_\_\_\_ shall elect to avail thereof.

In witness whereof the parties above named have hereunto placed their hands this \_\_\_\_\_ day of \_\_\_\_\_, 188-.

#### DECLARATION OF APPRAISERS.

State of \_\_\_\_\_ } ss.  
County of \_\_\_\_\_ }

We, the undersigned, do each of us solemnly swear that we are not interested, either directly or indirectly, as partners, creditors or otherwise, or related to either of the parties to the foregoing agreement; that we will act with impartiality and fidelity in making an appraisement and estimate of the actual damage to the property of \_\_\_\_\_ insured by the \_\_\_\_\_ agreeably to the foregoing appointment, and that we will return to the said \_\_\_\_\_ a true

perfect, just and conscientious appraisalment and estimate of damage, based upon the actual cash value of said property at the time the said damage was caused, taking into consideration all manner of depreciation from use or otherwise, according to the best of our knowledge, skill and judgment.

Sworn and subscribed to before me this      day of  
 , 18—.

Appraiser.

Sworn and subscribed to before me this      day of  
 , 18—.

Appraiser.

Umpire.

#### APPOINTMENT OF UMPIRE.

The undersigned appraisers, appointed as above, do hereby, in accordance with said agreement for appraisal, and the conditions of the policy referred to therein, select      as the third party or umpire to act in the matter of appraising, estimating and making the award of damages to the property insured under said policy.

(Umpire to make declaration above before proceeding to act.)

#### AWARD OF APPRAISERS.

We, the undersigned, having been mutually chosen by the parties named in the above agreement, to appraise the damages to property insured under Policy No.      issued to the parties of the first part by the      declare that we have carefully examined the property shown us, have taken into consideration the age, location and condition of the property at the time of the fire, and after making proper deductions for depreciation and for property saved, find that the damage by fire and water to said property, more fully described in schedules attached hereto, amounts to      dollars, as follows, viz.:

On	Total Sound Value, \$	Damage, \$
On	Total Sound Value, \$	Damage, \$
On	Total Sound Value, \$	Damage, \$

18

Accompanying the above form of submission were the following remarks:

You will notice that this form is drawn very generally and so as to apply to total or partial loss on buildings or personal property. As to the manner in which the appraisalment shall be made, I have left a blank space, which the adjuster can fill up as his experience suggests. Two separate forms might be printed; in one, filling up this blank with necessary provisions as to the manner of appraising buildings, and in the other as to the manner of appraising personal property.

You will notice that I do not in the suggested form make the appraisal "pursuant to the terms of

the policy," the latter varying so much that it would be impossible to get any one form to fit. I think, however, that the form which I send will accommodate itself to almost all the policies now in use.

#### Forms of Policies.

#### EXTRACTS FROM J. M. THOMPSON'S PAPER, PREPARED FOR THE ANNUAL MEETING OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE PACIFIC, FEBRUARY, 1886.

Following the name of the assured the use of the words "hereinafter called the assured" will more clearly indicate to whom this term, so frequently afterwards occurring, refers.

The fact of the policy having been issued and delivered to the assured establishes the fact in accordance with the general ruling of the courts that if not paid in cash, credit was given for payment of premium, and the condition that no liability shall attach until the actual payment of the premium, is therefore waived and the company precluded from setting up the fact of non-payment of the premium as a valid defense to an action for recovery of loss under the policy so issued.

"Against all such immediate loss or damage sustained by the assured as may occur by fire to the property above specified, but not exceeding in amount the sum insured, nor the interest of the assured in the property, and *except* as hereinafter provided for the term of      from the day of at 12 o'clock noon to the      day of at 12 o'clock noon," etc., etc.—the day and year to be written in words, not figures—is the form recommending itself for the most universal adoption as an indemnity clause.

Instead of printing the conditions in one line from one side of the sheet to the other, a better arrangement is to subdivide into three columns, and let each subject heading or classification of conditions be indicated by bold-faced type, the more easily to refer to such conditions as may be desired.

It has occurred that where policies are printed all across the sheet, a line pointing out the consequences of some sin of omission or commission on the part of the assured, has been skipped by him in reading his policy; with the aid of the time-honored magnifying glass called into requisition and forensic existence by the eminent jurists and legal luminaries who have been wont to hold up the policy before the eyes of the jury and exhibit the fine print, the many printed, hectographed, and written slips and indorsements in all shades of blue, black and red, until the optical illusion was complete, and then had no difficulty in convincing the jury that it was the manifest intention of the company to impose upon the assured by endeavoring to hide their conditions in the finest and smallest of small type print, and then point out the inconsistencies and contradictions in the printed slips referred to until the necessary degree of bewilderment was obtained to rely on a verdict "agin the company."



The type may be sufficiently large and well leaded to permit reading the policy as easily as a newspaper, and by a simple, concise and sensible wording of the conditions, they may be so arranged, printed and construed as to render the form shorter, neater and clearer to the average mind, and the now too prevalent clumsy verbiage and tautology no longer necessary.

Some companies' policies covering on brick building having fire-proof roof, with roof of shingles or shakes over, if amount insured should not be exhausted on building in case of loss would also cover on shake or shingle roof, if not excepted under a clause requiring specific insurance thereon, as in the policies of some others, and this notwithstanding the fact that 10 per cent. is the rate on shake roof and say 1½ per cent. on building.

Again, in the case of kerosene oil some companies make no provision as to legal standard on flash test of oil to be used on the insured premises for lights; make no restriction for gasoline gas for lighting, or the distance carburetter shall be located from the building, while others particularly specify restrictions in each case.

To some interested persons policies granting the privilege for thirty days' builders' risk free of charge, and without notice, would be preferable to those granting but fifteen days, and these again would be preferred by those granting but five days, or in some few instances none at all.

The use of the term "detached" to designate the fact that a building if of brick is situate forty feet distant from any other building, or if of wood 100 feet from an exposure, is meaningless and incapable of any other construction than that the building so described is separated from any other building or buildings. The customs of underwriters vary in different parts of the country as to the intervening space between the risk and other buildings to describe and rate same as being "detached;" hence custom does not define or establish a conventional rule, and therefore to render this description of a building intelligible the distance intervening between it and other buildings should be stated.

The use of the words "sold but not delivered" in what is generally known as the commission clause does not give the assured the indemnity sought, it being well established in law that the transfer of the title to property in the thing sold is so far as necessary an immediate consequence of a completed sale and essential thereto; that where it cannot, or by agreement does not then take place, there is only an executory sale and not an actual change of ownership, and while the sale is executory and incomplete, the vendor's insurance continues to attach so long as change of ownership or actual title has not passed, even though the purchaser may be legally bound to pay the vendor the purchase money. Therefore for ample protection to the vendor and his immediate purchaser, the phrase used in the policy should be "sold and not removed."

Where executors, administrators and trustees, bailees, and all other parties acting in a fiduciary capacity, having possession and control of property, where title is vested in the heirs or other beneficiaries under a will, desire to insure it, the policy should be written in the name of "the heirs," and not in the name of "the estate of," the latter being held to be ambiguous according to the rulings of the courts generally.

Policies on lithographing establishments have been issued covering on "lithographing stones and work thereon" under one amount. Apart from the question of the advisability of covering these two items under one amount is the fact that the item of "work finished and unfinished" is one on which a very heavy loss may occur if the stones be subjected to even a low degree of heat, which would cause them to crack when placed in the press, and their extreme liability to suffer from water has been well demonstrated by the loss of a considerable amount on this item resulting from water in the case of Waldstein's establishment.

The subdivision of the ordinary contents of a dwelling house into the items of "household furniture, useful and ornamental, and family stores;" "family wearing apparel;" "printed books;" "oil paintings, pictures, and other works of art," and insuring separate amounts on each item, while an excellent thing in some respects, is not calculated to lighten the feeling that insurance companies are more consistent in their methods of business than they are credited with being.

The present form in use here does not meet with popular approval and cannot be deemed a consistent measure to adopt, in consideration of the fact that policies covering on a merchant's stock of general merchandise, consisting usually of dry-goods, fancy goods, boots and shoes, groceries, crockery, glassware, and such other merchandise as may be contained in his store, is not subdivided in his policy, and so much written on each item of his stock, although he may have in stock some unusual and highly priced goods or articles of vertu. Then why should not the contents of his dwelling be similarly insured under one sum?

I can remember when policies covering on "stock in trade" were so segregated that each class of goods was insured under a separate amount—and not so long ago, either—but this being a progressive age, the present form of policy covering on everything in stock under one amount has been adopted and meets the popular demand.

The popular dwelling house form, as it is called, above referred to, is in use all over the Eastern States, and was adopted by the Western Union in 1882. In fact, many of the policies issued on this Coast would be converted into the "popular form" should the policy clerk omit to insert the word "nothing" before such items in the dwelling house printed form of policy, as were not intended to be insured, and a loss occur, according to the decisions on this point.

In conclusion, the next progressive step towards a better understanding of the rights and privileges of the parties to a contract of insurance will be made when the assured signs the contract after issue by the company, or signs a duplicate copy, which may be retained by the company or agent, while he retains the one issued by the company or agent, thus completing a contract in which the understanding had with the agent on the part of the company is merged in writing as in the case of other contracts.

### Co-Insurance Clause.

A PAPER BY Z. P. CLARK, READ AT THE RECENT MEETING OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE PACIFIC.

The various forms of stipulation are familiar to you all. The form which received the favorable consideration of our "Union" was in words about as follows, to wit:

"It is a part of the consideration of this policy, and the basis upon which the rate of premium is fixed, that the assured shall maintain insurance on the property hereby insured by this policy, to the extent of four-fifths of the actual cash value thereof, and failing so to do, the assured shall be a co-insurer to the extent of such deficit, and in that event shall bear his, her, or their proportion of any loss."

Does not this seem clear and definite to you all? Is not the intent of its framers written in every sentence of it? What other construction could you place upon it other than that it requires the assured, who has a stock of goods worth \$100,000, to insure the same for \$80,000, failing in which to the extent of say, \$30,000, he becomes a co-insurer with the companies in the proportion of 3 to 8, or stands three-eighths of any loss occurring to the property insured.

Now, see the construction placed upon the "clause" by a Michigan Court, for which I am indebted to the COAST REVIEW. The insurance is \$50,000; four-fifths of the value of the property is \$80,000, and the loss is \$10,000. Under the preceding interpretation of the clause the companies would pay five-eighths of the loss, or \$6,250, and the assured would pay three-eighths of the loss, or \$3,750. Now, hear what the Court says. The question was on the meaning of the words, "Co-insurer to the extent of such deficit," and on which the firm brought suit.

The Court held the clause to be "ambiguous, uncertain and misleading, and liable to a double construction;" and as the law holds the maker of a contract liable for all failures to make it clear and explicit, he further held the assured and the companies to be co-insurers to the extent of the deficit only, and not on the whole loss; and that the loss chargeable to the deficit must be borne jointly by the parties to the contract. This would make the insurance companies in the case in point pay their five-eighths of the loss, or \$6,250, and also one-half of the loss chargeable to the deficit (\$3,750), or \$1,875 more, leaving the assured to shoulder \$1,875 as their portion of the loss.

I doubt if this ruling will be final. I quote it merely to show how little *we*, who make and utter the contract, know of its force and, from induction, how imperfectly the public could ever be made to understand it.

I venture the assertion that before such a clause could be made popular, underwriters would be forced to establish schools of instruction, where the public might come and learn why they should, under certain circumstances, receive but a fraction of the protection they were paying for; and further, that our lives are all too short to accomplish their matriculation.

The average Pacific Sloper might come to school *once*, but it is doubtful if, after his lessons were over, the exercises would not end in prayer—from the instructor for *mercy*!

The motive for the proposed effort to establish in this city a condition which has been tried and abandoned in numerous insurance centers, by others of wider range of experience than ours, is found in the pocket. (I take it for granted that the movement did not originate in any sentiment of sympathy for the assured.) I cannot understand that any exigency has arisen demanding so radical a change in the methods of our profession *here*, as this proposed clause would work. Should such appear, as in the cases of the great Chicago and Boston conflagrations, our underwriters will meet it as did the Napoleons of those dark days,

by organization and advancement to adequate rates.

No doubt *under-insurance* is as great an evil as *over-insurance*. Have we the remedy in the co-insurance clause? Is it not easier for the dishonestly disposed to whittle down values to meet the requirements of the clause, than for him to inflate them to meet excessive insurance? In this light, as *over-insurance* is counted as affecting the moral hazard of a risk, would not *under-insurance* in connection with the co-insurance clause, become also an important factor in its measurements? With all the vantage on the side of the claimant, would it be possible to graduate ratings to satisfactorily fit the different percentages of coverings. Would you not be reducing your premium account without a corresponding reduction in your liability?

No doubt 75 per cent. of values is a better line for the underwriters in cases of partial loss than 50 per cent., but no individual company is compelled to write, except upon such terms as suit it. Many are hungry and would gulp down a risk at 10 per cent. of values and holler for more!

If the assured is willing to assume the risk of a loss in excess of his insurance, which may more than equal the liability of his companies, should not the mutuality of interest end there?

If our experience in this limited field has taught us how to estimate hazards, and our ratings are based upon that experience, and we have made and are making money from them, *without* the co-insurance clause, has not the public paid for, and will it not gladly continue to pay for all the hazards assumed by the underwriter, *under-insurance* as well as *over-insurance*? Will they not willingly contribute to pay for all these hazards rather than submit to the uncertain workings of the co-insurance clause? How would it work in cases of general and specific policies? (Non-concurrent policies will continue to exist in spite of compacts and legislation to the contrary, just so long as two companies, two agents or two brokers live to lash the circumambient air with their competing tongues.)

If the percentage of total insurance to to-

tal values is 50, and the loss is on a subject specifically insured, to which the general policy also applies, and both combined amount to more than the value of the article on which the loss is claimed, what portion of the loss would the assured bear under the four-fifths co-insurance clause? Would not the adoption of the clause necessitate a modification of all the conditions of our policies relating to contribution of general to specific policies? Might not other complications grow out of the proposition?

Probably the greatest endorser known to the business world is the insurance company. More loans are guaranteed, more payments for merchandise are assured, by the insurance company than by any other one endorser. The banker or the merchant would hesitate to accept an endorsement which by its terms would make the amount recoverable under it problematical. It is our boast that the insurance policy has grown to be a *commercial necessity*, that no well directed business is conducted outside its protecting ægis. Why seek to destroy its usefulness now by making its value a matter of speculation to both the assured and the guaranteed.

To make the co-insurance clause a success, unanimity of form and action must be faithfully maintained among all the companies in our field.

Are not our present obligations to each other greater in number than we can always remember?

Can any one predict the longevity of the present compact?

Should the compact die would the so-called co-insurance clause live?

Should we do things simply because we can?

A correspondent calls attention to the fact that while so many serious fires result from burning oil, it is really a simple matter to extinguish them. Instead of uselessly pouring on the water, throw flour on the oil and the fire is smothered forthwith. So, too, it is claimed, if people set their clothing on fire by spilling oil or the bursting of a lamp, a handful of flour may be the means of saving their lives.—*Investigator*.



### His Last Trip.

"I have taken my last trip, I am going home," said he as the clock struck the midnight hour.

The nurse looked at the doctor with a significant glance, and whispered, "His mind wanders."

Presently he lifted his feverish head from the pillow.

"Any letters from the Manager?" he inquired, "there ought to be letters here."

Then he slept, and in his sleep he was a boy again, babbled of fishing streams far up among the pines and cedars of the mountains, where the trout played; of school days, and of those who had been his companions in the misty past, while the wild winds of an Arizona desert rattled the windows of the little inn where he lay.

At one he suddenly awakened.

"All right!" he exclaimed in a strong voice, "I'm ready. He thought the porter had called him for an early train. The doctor laid a soothing hand upon his brow, and he slept. In his sleep he murmured:

"Business, my boy, we want business; what have you done? That's a good risk, who took it? I must get business. I'm off, good bye."

He dozed off, and the doctor counted his pulse; suddenly the sick man started up.

"Give me a letter from home. Ellen always writes to me here. She never disappointed me yet, and the children—they will forget me if my trips are too long—only one more stop to make, and I will be home—home—home for Christmas."

He slept again, and again wakened with a start.

"No word from the Manager yet?"

He is going fast now; the doctor bent over him, and whispered in a comforting voice the words of promise:

"In my Father's house there are many mansions, if it were not so I would have told you."

"Yes, yes," said the dying man faintly, "it was a clean loss, and shall be paid promptly. Ah, a splendid company that—deals fair and square with its customers and men."

The chill, cold morning dawned, the end was very near. The sick man was approaching that undiscovered land where all losses are honest and all claimants are fair, that mysterious land from whose bourne no traveler returns.

"I'm going off the road," he murmured faintly, "the Manager has sent for me. Write to Ellen and the children that I am coming—coming—her picture and address—in my breast pocket—call me for the first stage—it's my last trip, and I'll see Ellen and the children on Christmas."

They laid his head back on the pillow; he had finished his trip—he had gone home for Christmas.—*California Knapsack.*

### Losses and Adjustments.

EXTRACT FROM A PAPER BY C. P. FERRY,  
READ AT THE RECENT MEETING OF THE  
FIRE UNDERWRITERS' ASSOCIATION OF THE  
PACIFIC.

It is only when some tangled skein needs unraveling, or some well known hard customer is to be handled, scientifically, without gloves, that the skillful adjuster's services are fully appreciated. That a loss is "small" is often the excuse for allowing the local agent to adjust it, or for sending an inexperienced person, to save expense.

Very few losses, however small, are unimportant. The adjustment of its losses determines the character of the company with the assured and the public, and has a direct bearing on future losses. A small loss adjusted without skillful investigation, may result in encouraging dishonesty, and invite a larger one. An incompetent man adjusts a loss, and honestly, through ignorance, does gross injustice to the assured, and the public, cognizant of the facts, avenges itself by doing injustice to companies in after losses.

The callow adjuster, never having consulted Webster, or any other authority, to learn the definition of the word "adjustment," thinks that the only thing he is required to keep in view is a "big salvage." If the loss is small and insurance heavy, he contents himself with the reflection that the company will be perfectly satisfied, no mat-

100 BROADWAY, NEW YORK.

Statement, January 1st, 1886.

Cash in Banks and on hand.....	\$ 229,432 34
Loans on Stocks and Bonds, (market value, \$5,905 00).....	4,700 00
Loans on Bond and Mortgage (on real estate worth \$826,100) ..	348,610 00
U. S. and other Stocks and Bonds owned by the Co., as follows:	

900,000	U. S. REGISTERED 6% BONDS, CURRENCY.....	\$1,198,610 00
250,000	" " " "	281,875 00
250	Shares American Exchange National Bank.....	31,750 00
69	" Bank of America .....	11,385 00
50	" Bowery National Bank .....	8,500 00
1200	" Mechanics' National Bank .....	45,000 00
250	" Mercantile " " .....	30,000 00
350	" Merchants' " " .....	22,225 00
200	" Metropolitan " " .....	5,000 00
130	" Nassau Bank .....	6,500 00
700	" Phoenix National Bank .....	14,420 00
180	" St. Nicholas Bank .....	20,700 00
200	" Central Trust Co. ....	68,000 00
5	" N. Y. Guaranty and Indemnity Co. ....	300 00
1500	" N. Y. and Harlem R. R. Co. ....	153,750 00
\$50,000	Cedar R'pds, Ia. F's. & N. W. R. R. 1st Mtge. 6% Bonds .....	100,000 00
100,000	Cent. R. R. & Bkg Co. of Ga. (tripartite) 1st mtg 7% Bds .....	110,000 00
50,000	Ches. & Ohio R'way Co., "Class A," 1st Mtge. 6% Bonds .....	52,000 00
50,000	Chi. Mil. & St. Pl. (Chi. & Pac. Div.) 1st Mtge. 6% Bonds .....	59,000 00
50,000	Chi. & N. W. Sinking Fund Reg, 1st Mtge. 6% Bonds... ..	58,500 00
100,000	Chi., St. Paul, Minn. & Omaha R. R. 1st Mtge. 6% Bonds .....	118,000 00
50,000	Columbia and Greenville R. R. 1st Mtge. 6% Bonds....	53,000 00
50,000	Elnora, Cortland & Northern, pref. 1st Mtge. 6% Bonds .....	50,000 00
50,000	Erie Railway Co., con. 1st Mtge. 7% Ponds.....	64,000 00
50,000	Incl., Bloomington & Western, pref. 1st Mtge. 7% Bonds .....	156,600 00
135,000	Ind., Lake Shore & Western R. R., 1st Mtge. 6% Bonds .....	56,500 00
50,000	Mil., Lake Shore & Western R. R., 1st mtge. 7% Bonds .....	68,000 00
100,000	Morris & Essex R. R. con. 1st Mtge. 6% Bonds .....	124,000 00
50,000	N. Y., Lack. & West. R'way 1st Mtge. 6% Bonds .....	52,500 00
50,000	N. Y., L. E. & West. R. R. 1st Mtge. 6% prior lien Bonds .....	106,000 00
100,000	Pittsburgh, Cleveland & Toledo, 1st Mtge. 6% Bonds ...	118,000 00
100,000	St. Paul, Minn. & Manitoba, R. R. 6% B'ds (Dak. Exten) .....	10,000 00
10,000	Alabama New Bonds, Class "A," 1906.....	12,720 00
12,000	South Carolina 6% Consolidated "Brown" Bonds, 1893,	12,600 00
20,000	Tennessee 3% Settlement Bonds.....	3,230.435 00

Real Estate owned by the Company .....	674,500 00
Premiums in course of collection.....	288,803 07
Bills Receivable, <i>not matured</i> , for Fire and Inland Marine Premiums.....	335,121 14
Interest and Dividends, (payable this date) .....	59,877 44
Rents Accrued.....	6,000 00

Total Assets.....	\$5,177 478 99
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Reserve for Re-Insurance. ....	\$2,265,427 88	
(Of which for Inland Marine, \$55,969 52)		
Reserve ample for all claims. ....	553,171 26	
Capital paid in in cash. ....	1,000,000 00	
Net Surplus. ....	1,358,879 85	\$5,177,478 99

*Surplus to Policy-Holders.* \$2,358,879.85.

HUTCHINSON & MANN, General Agents for Pacific Coast.





ter how ignorantly liberal he has been in his settlement, because has made a big salvage.

On the other hand, if the loss is total, beyond question, he thinks he is proving his skill as an adjuster, by squeezing a salvage, be it ever so small out of a total loss, not realizing that he is degrading the profession, and placing the insurance companies and adjusters on a par with highway robbers in the estimation of his victim, and giving even honest men an excuse for cinching companies in other losses. All companies desire that their losses shall be settled so that the assured shall feel that he has been fairly treated, and while this is not always possible, the honest, skilled adjuster keeps this in view in the adjustment of all honest losses, and no one but an adjuster of long experience knows how difficult it is to adjust losses on that basis.

The application is the foundation on which rests the adjustment. If when it is taken, the assured was clearly informed in what manner his loss would be settled, in case of fire, if he was informed how to arrive at the cash value of his property in estimating for his application, if he was told to notify the agent of any change in the physical character of his risk or title to the same; if he was informed of the necessity of accurately describing the property to be insured, and various other matters which will suggest themselves to you; in other words, if there was not such dense ignorance on the part of the assured in regard to the insurance contract, there would be less prejudice against insurance companies, and the adjustment of losses would be more pleasant to the adjuster, and profitable to the companies.

I think that the more clearly the insurance contract is understood by the assured, the less pressure from the public will the adjuster have to resist in the adjustment of losses. There is one kind of pressure, however, that is difficult to resist, and that is the hungry creditor's influence in favor of dishonest claimants. This, I think, could be partly met by referring all clear cases of that character to a committee to be appointed by all the companies doing business in the State. On the recommendation of this

committee, of resistance to the claim, the case to be settled only through the courts, and expense of litigation shared by all the companies. This would certainly act as a preventive in many cases. Wells, Fargo & Co. never compromise with crime, and suffer very little loss, comparatively, from dishonesty or highway robbery.

There is one feature in regard to adjusting as a profession which you do not meet in any other. The adjuster may possess all the qualities that would make him rich and honored in any other profession, but he can hope to earn but a very moderate income and little fame as an adjuster, and can better his condition only by leaving it for the manager's chair.

To the older members of this association I have nothing further to offer, but to the younger ones who are just entering the list I would say, if you want to get into the front ranks as an adjuster you must learn many things. You must study bookkeeping and law, learn to read faces and motives, study machinery and tools, the inventions and improvements in processes and manufactures, learn how to handle damaged goods to the best advantage, the cost of crude and manufactured articles, study depreciation on goods, machinery and personal property generally, learn how to estimate on buildings—in a word, learn everything that time, opportunity, and ability will permit. To an adjuster nothing is too unimportant to know. You will find in your profession that "knowledge is power." Do not adjust honest losses for salvage, but for results. There should be no such word as "*salvage*" used in fire insurance.

To the manager, who understands his business, you can offer no greater compliment than after careful, intelligent investigation, in a series of losses, where there is total destruction, you can make no honest, so-called "*salvage*." It proves that his business is on a sound basis, his inspection and management good. When you have an appraisal, stick closely to the appraisers, *when practicable*. You will gain much useful knowledge from their work. There are other reasons why you should do so which will suggest themselves to you. Take no

undue advantage of ignorance. Do not defraud an honest claimant with a dishonest technicality. You will find so much dishonesty on the part of many of the assured that it will tend to make you suspicious and unjust with all. This you should guard against. In many cases you are the jury and judge. Your decision, like theirs, should be free from prejudice, just and equitable.

### Losses and Adjustments.

EXTRACTS FROM A PAPER BY W. P. THOMAS,  
READ AT THE ANNUAL MEETING OF THE  
FIRE UNDERWRITERS' ASSOCIATION OF THE  
PACIFIC, FEBRUARY, 1886.

In how many cases does the honest loser frequently wait 60 days for the payment of his loss, when his dishonest neighbor whose store and stock are insured for twice their value, and burned under very suspicious circumstances, comes to San Francisco and effects a settlement for cash down.

In this connection we desire to quote a few remarks from the letter of a local agent, such a good, solid, sensible and interesting local as we are all desirous of having. He says: "The — company have taken no steps toward a settlement, and the matter rests as at date of my last advices. Mr.— draws on his imagination a little in speaking of a poor, ignorant fellow. He is a man of considerable experience and knowledge of affairs, and his manner of handling his claim against the companies has increased my suspicion of his connection with an incendiary origin of the fire. It is hardly probable now that I shall be able to verify my suspicions, still the affair is cloudy enough to justify all the delay we can reasonably make; to allow suspected parties to collect their claims for insurance too easy, gives too much encouragement to incendiarism. A fire occurred here a few months ago which effected a fortunate sale of an old bankrupt stock which was being closed out by — of your city; the stock was insured for \$6,000, and loss adjusted at about that figure, and I suppose has since been paid. The suspicious origin of this fire, in my opinion, demanded a searching investi-

gation, and the adjustment of similar losses without thorough scrutiny, shows unscrupulous owners of unsalable stocks and buildings a profitable way to dispose of them. To protect the future interests of our local business, if for no other reason, we wish to avoid this." Remarks sensible and to the point.

We presume you have all heard of the adjuster (one of our members I believe), who some years since was called on to adjust a loss that had occurred under very suspicious circumstances. From a very thorough inquiry and investigation into the "cause," he discovered that the assured had been trying to dispose of his property at private sale, and failing had tried to sell to the company, and had fired the building himself for that purpose, but did it in such a bungling manner that it was plainly evident to the adjuster how it was done. He accused the assured, and succeeded in securing his policy and receipts for total loss for the consideration of one dollar. After his labors were completed, and while waiting for the train, he explained to his agent the manner in which the job should have been done to have made it not only successful, but to so cover his tracks as to defy detection. Some year or two after that, the same adjuster was called to settle another loss in the same vicinity, found the assured in this case to be the same agent he had so kindly instructed as to the manner of disposing of his property to the companies without fear of detection. One remarkable feature of the case was, the assured had been trying to dispose of his property to private parties and failed. It also, as might be expected, was a case of "cause unknown." The company paid a total loss this time, the adjuster being unable to discover the cause of the fire, the tracks being so well covered. It was a disagreeably cold day for the adjuster, and snow on the ground.

In the East the three-quarter clause has been suggested, calling forth considerable discussion on the subject, and we believe if it were printed in all our companies' policies its protection would in a short space of time be fully recognized on this Coast. The applicant, knowing that in case of loss he

could not possibly recover more than three-fourths of the value of the property, would not be likely to pay a large premium for over-insurance, as is now frequently done, and fires from unknown causes would be less frequent.

To show you that the better class of local agents, the thinking class, who desire to protect their companies' interests, are waking up to the evils of over-insurance, and the manner in which losses are adjusted and paid by some, we quote from another local's letter, which says: "The fire broke out in the roof about 4 A. M. The house was occupied by a tenant, who applied to me for \$700 insurance on her furniture. I declined the risk, and she secured a policy for \$800 from another office. There can be no question of its being an honest loss so far as the owner of the building is concerned—she has been residing East for some time. I certainly think that the agent of the —— company, who gave the tenant occupying the building an insurance of \$800 on furniture costing \$350, is deserving of grave censure, to say the least. I positively feel that the dwelling would not have been burned had there not been over-insurance on the contents. It is not difficult, I can assure you, to arrive at a conclusion as to the origin of the fire. The company placed the adjustment of this furniture loss in the hands of their local agent, who compromised by paying \$400. It is the opinion of all they need not have paid a dollar. Another instance of the evil of over-insurance, which, in my judgment, is one of the most fruitful sources of fire." And he might have added, one more instance of the folly of local agents adjusting losses, especially where arson is suspected.

In many cases it is not to be supposed the cause of fire can be ascertained, even after the most thorough investigation; but the value of property destroyed every year from "cause unknown" is so great, that thorough investigation in all suspicious losses should be the order of the day. By taking up at random one hundred proofs of loss on which claims are paid, it is a safe assertion to say that seventy per cent. of them account for the fire as "cause un-

known," or believed explosion of a coal oil lamp. Terms synonymous and doubtful, always carrying with them a doubt and suspicion as to the honesty of the loss. We do not claim that every person should be believed guilty, but a thorough investigation will not harm the honest loser and claimant, and may prove an apparently honest claim one of the worst attempts at fraud.

In the Province of British Columbia, as also in our sister State, Nevada, they have a law for the express purpose of investigating losses occurring under suspicious circumstances. We are of the opinion a similar law in this State, where losses are so alarmingly increasing and of such doubtful character, would prove of incalculable benefit to the companies, and of material assistance to the adjusters; possibly tending to decrease the number of "cause unknown" fires and the accidental explosion of coal oil lamps. Since the law spoken of has been in force in British Columbia and Nevada, the number of fires have decreased wonderfully, and to-day they will show a far smaller percentage of loss to premiums received than any other State or Territory of the Pacific Coast. Let us endeavor to pass a similar law in California during the next session of our Legislature. The people have done considerable legislation against the companies, now let the companies try and protect their capital to this extent. The majority of opponents to such a bill or law would be the very class of people who have either been paid doubtful losses, or feel that under certain circumstances they would not care to have a legal investigation of a fire arising in their premises.

It has been truly said that no two cases present the same features to the adjuster. How necessary then that a thoroughly reliable, painstaking, investigating and competent adjuster should be employed, for thousands of dollars are entrusted to his care and thoughtfulness. His knowledge and experience enable him to protect the interests of his company from the dishonest claimant, and give full justice to the claims of the honest loser. The value of the services of an honest and capable adjuster can-



not be over-estimated, nor can they be valued by dollars and cents. A careless or incompetent adjuster can cost his company many thousands and they be none the wiser perhaps for years.

Those who know the worry, care and labor necessary to work out our losses, and the small amount of labor that can be shown on the face of the papers pertaining to same, are fully aware that the adjuster's position is a most arduous and responsible one, and his qualifications and resources should be unlimited. He should be possessed of a good equable temper, cool and collected always, be gentlemanly and polite, ever remembering "a soft answer turneth away wrath," be a good judge of human nature, and not antagonize a claimant when he knows that he has an honest loss to deal with.

We desire in this paper to suggest to our general agents the actual necessity for so specifically wording their policies in plain and unmistakable language, and in all cases concurrent, that when the loss does occur, there can be no question as to the contract. Policies should be written in expectation, so to speak, of the loss occurring immediately. By this practice, much unnecessary trouble between the adjuster and the claimant will be avoided, and the apportionment of non-concurrent policies a labor of the past.

We do not believe it the best interests of the company, as a rule, to employ the local agent to adjust losses; being often in that capacity placed in a very peculiar position, with conflicting interests. There are, however, exceptions to this rule, and many a local agent is as capable of adjusting losses as the average adjuster sent from the office, leaning neither to one side or the other, but pursues his investigations, and adjusts the loss in such a manner as to call forth approval of his actions from his office; but, condemned by the citizens of his locality, and frequently with a serious loss in dollars and cents to himself, in commission on renewals or new business, he would have secured but for the, to him, unfortunate loss and adjustment.

We have all experienced the interference

of the broker in the settlement of losses, and it is a practice that should be sat down on by all adjusters and their general agents; and we must in this connection say that what is such bad practice in the sometimes ignorant broker, cannot be too highly condemned when indulged in by the disinterested and more enlightened general agents and managers.

To our general agents and managers we respectfully suggest that the prompt payment of doubtful and suspicious losses be discountenanced and discontinued. Do not place temptation and give encouragement to the dissatisfied property holder, who is likely to fire his property, have his loss adjusted, receive his money before the ink dries on his proof, and skip the country before the sun sets. The insuring public are crying out against high rates, and the companies with their managers are complaining about increased losses.

Of late we have noticed in the payment of some of our city losses, a growing tendency to hand the checks and receipts to the broker to be handed by him to the assured. This is decidedly a most unbusiness-like proceeding, and we think should be discontinued by all. It would be more to the advantage of all parties concerned if the principals transacted such business direct, without the assistance of the broker.

### The Broker as a Claim Agent.

THE BROKER FINDS A CHAMPION—EXTRACTS FROM A PAPER BY C. V. WATT, READ AT THE ANNUAL MEETING OF THE FIRE UNDERWRITER'S ASSOCIATION OF THE PACIFIC, FEBRUARY, 1886.

Ordinarily the assured is "at sea" when a loss occurs. He has had no experience; but soon the adjuster arrives; *he*, on the contrary, has had large experience, and he immediately and very kindly tells the assured what to do. Evil men have circulated slanderous stories about insurance men in general, and the ordinary man who has a fire is as suspicious of the adjuster as he can well be. He doubts his honesty and good faith; he has trusted his insurance business to some friend—a broker who is

constantly dealing in insurance. He does not know the company he is insured in, much less the conditions of the policy. How natural it is that he should turn to this man for advice. What impropriety can there be in the broker advising him?

Many brokers, so-called, have no correct idea of our business—they cannot tell what constitutes a non-concurrence or a violation of warranty; they know less about what shall be done in case of loss than does the assured, and it is this class to whom objection is made—they are usually the mischief-makers—they are loud-mouthed and troublesome, but no broker who understands his business—the insurance contract, its terms, conditions and requirements, and who possesses the other qualifications usually found where common sense reigns, will ever injure the cause he advocates if the adjuster be a fair-minded man.

"No man can serve two masters." The adjuster works for the companies and not for the assured. The broker works for the assured and not for the companies. I am of the opinion that the better class of brokers take as much pains to see that the contract between their client and the company is equitable, as do the better class of adjusters, that the assured shall have "fair play" in case of law.

Dishonesty is reprehensible, whether found in adjuster, broker or assured, but I assume that taking the three classes, each is as honorable as the other. I believe that the broker is as honest in his purposes as the adjuster, and when we admit that the over-zealous broker often annoys us and causes trouble, we cannot deny that the same traits displayed by the adjuster are just as annoying to the assured.

The broker is the proper person to advise the assured. By our own contract we make him the agent of the assured.

The broker would not permit such a thing as I heard occurred in New York (of course it could not have happened in Oakland). The building was valued at \$2,000, and was insured for \$1,000; it burned, leaving the side walls standing. A competent builder said the standing walls were worth \$400. The adjuster deducted this

amount from the \$1,000 as salvage, and paid the assured \$600, stating that that was according to the contract.

The broker should advise and protect the assured. There is no use for him in the business unless it is that he should represent the assured. There is no more reason that the brokers, as a class, should be discredited because some are ignorant or unscrupulous, than that lawyers should be condemned because there are demagogues, or doctors because there are quacks, or preachers because there are impostors.

### Legislation and Taxation.

EXTRACTS FROM PAPERS BY A. D. SMITH AND T. A. MITCHELL, READ AT THE ANNUAL MEETING OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE PACIFIC, FEBRUARY, 1886.

A. D. SMITH'S PAPER.

Wholesome legislation is not objectionable to insurance companies, and they recognize the right of communities to impose upon all classes of wealth their proportion of the legitimate expenses of government. Beyond this limit, legislation which, as legislation goes, means nothing but taxation, is the bane of our business.

It is assumed that insurance companies seek only what is just and right. None but the wholly depraved and irreclaimable will, for a moment, assert such assumption to be in the least strained. It is the aim of our profession to afford indemnity, and out of the business resulting, to obtain a profit that shall be a reasonable compensation for the risk undertaken. Each dollar of insurance capital has the same interest in the business as every other dollar.

At the present time the amount of capital interested in fire insurance on this Coast, aggregates upward of three hundred millions of dollars, and there are engaged in the business, endeavoring to make their living from it, upward of *four thousand* persons in California and the adjacent States and Territories—a powerful influence for good or for evil. With the same end in view, with the same interests at stake, and with the powerful influence of numbers and

wealth—why should there be legislation adverse to our interests?

The cause of our trouble lies all within ourselves. We alone are in fault. Selfishness is the rock whereon we meet with our discomfitures. Each of us is striving to obtain some advantage at the expense of our neighbors. Thus divided, thus wrangling among ourselves, is it at all strange that we all also become the prey of scheming lobbyists and legislators?

What is the remedy? Simply to forego our own selfish motives and unite for the common good. Then let us devoutly pray for the speedy coming of that period when the aggressive British Lion (Dornin's) shall lie down with the innocent German lamb, and a little Yankee child shall lead them to where the California bear and the New Zealand kangaroo playfully gambol in brotherly love.

#### T. A. MITCHELL'S PAPER.

One grand united action on our part, to make the policyholder fully understand that any additional taxation or increase of the fire hazard by any legislation, must come out of his individual pocket, is worth more in defeating obnoxious legislation and taxation than all the arguments the ablest committee of underwriters can produce. For example, take the recent case where the Supervisors of one of our California counties passed an ordinance requiring every company doing business in that county, to pay a special license equal to about 10 per cent. of the premium income in said county. Before final passage of the ordinance, the local and special agents fully presented our side of the question to the Supervisors, but to no purpose; the ordinance became a law. The underwriters said, "Very good; we will pay the license, and add 10 per cent. tax, in addition to the tariff rate, on all risks in your county." The policyholder, finding that he, and not the company, had to pay this tax, then interviewed Mr. Supervisor, and the result, as you all know, was the immediate repeal of the ordinance. This united action in adding 10 per cent. additional to the tariff brought about a result which could not have been reached in any other manner.

Take also, for instance, our neighboring State that imposes a license equal to 5 per cent. on the premium income of that State. The underwriters, by adding a corresponding tax of 5 per cent. in addition to the tariff rate, will either secure the repeal of said State license, or the policyholder will have to foot the bill until such time as it is repealed. Arizona Territory should be treated in the same manner, and if Washington Territory imposes a tax of 3 per cent. on premiums, as now proposed, let the underwriter add the same in addition to the tariff rate. It will soon have its effect.

Certainly this same line of action can be carried to such an extent as to also reach the valued policy bill, we think, with even better results than have been reached in the case of the Territory of Idaho, where the underwriter refuses to write on buildings, or in the case of New Hampshire, where the companies have withdrawn altogether. This can be accomplished by simply saying to the property owner, "Your legislature has imposed on the underwriter the valued policy law, whereby we think the fire hazard has increased, say 100 per cent. more than it was before said valued policy bill became a law; consequently, if you desire a policy of insurance, it will cost you just 100 per cent. more than it would have cost had said valued policy bill not become a law, and if we find the 100 per cent. additional to the premium income is not adequate to the increased loss ratio, we can increase it, say 200 per cent.," which action we think would cause the policyholder to do some very effective work with the representative from his district to secure the repeal of any or all laws which have the tendency to increase the cost of his insurance over and above the original tariff rate.

The college building at Moore's Hill, Indiana, recently had a narrow escape from destruction by a fire supposed to have originated in the sawdust of a wooden cuspidor by the aid of a cigar stump or a match. We suppose there is no place other than a college where they do not know that a wooden cuspidor filled with sawdust is very dangerous.—*Price Current.*



### Annual Meeting of the Fire Underwriters' Association of the Pacific.

The tenth annual meeting of the Fire Underwriters' Association of the Pacific was held in this city, at the rooms of the Board of Fire Underwriters, on Tuesday and Wednesday, February 16th and 17th.

The attendance was an average one, and the interest displayed in the proceedings was perhaps greater than formerly. Papers on threadbare and shopworn topics, and two or three papers on fresher subjects, were read and duly applauded. The *California Knapsack*, carried by Editor Geo. F. Grant, was opened on the first day's meeting and a portion of its savory contents distributed to a very appreciative company. The remainder was reserved for the following day, the commissary editor wisely observing the hygienic rule which limits the quantity of the richer viands at a feast.

After Treasurer Naunton had submitted his annual report, the President, C. Mason Kinne, delivered the annual address, which the reader will find elsewhere. The papers read during the course of the two-days' session of the association were as follows:

Influence of Association—Geo. F. Grant.

Forms of Policies—W. L. Chalmers, J. M. Thompson.

The Co-insurance Clause—Z. P. Clark.

Losses and Adjustments—W. P. Thomas, C. P. Ferry, A. J. Wetzlar.

The Broker as a Claim Agent—R. V. Watt.

Legislation and Taxation—A. D. Smith, T. A. Mitchell.

Experiences of a Local Agent—Bruce B. Lee.

Fire Department and Water Supply—A. R. Gunnison.

The Good and the Bad in the Business—T. W. Fenn.

Statistics—E. W. Carpenter, H. K. Belden, A. C. Donnell.

How to Advertise—Calvert Meade.

These papers, or liberal extracts therefrom, will appear in the COAST REVIEW of the present and the succeeding month. Most of them are too long for the space at our command, and the publication in full would postpone the appearance of many until the papers and the meeting would be stale topics indeed.

The officers elected for this year were: President, Z. P. Clark; Vice President, J.

W. Staples; Secretary, R. H. Naunton; Executive Committee, H. K. Belden, Geo. F. Ashton, Calvert Meade.

#### THE BANQUET.

The annual dinner was given at the Maison Doré on the evening of the first day's meeting. Some sixty or more members and their friends seated themselves about the festive board at 6:30, and for the ensuing five hours discussed the elaborate menu, speculated as to the more mysterious dishes, smoked, circulated jokes and the "mirth-inspiring bowl," and listened with varying heed and appreciation to songs, instrumental music and the after-dinner speeches of the numerous gentlemen who were not too full for utterance.

The President, Col. Kinne, after a few remarks appropriate to the occasion, called upon a number of the gentlemen present, all of whom responded with little impromptu speeches, carefully prepared some time previous. Perhaps we are a little too previous in making this statement, but let it go as it stands. Many of the speeches were pointed and humorous, but the little scintillations of wit were often of that elusive and evanescent character, as is usually the case "after dinner," that they will not bear translation into cold type. Any disposition to "talk shop" was resented by all, sometimes silently, sometimes noisily, but always in good spirit, so if there was any bottled wisdom on hand it was not uncorked that night. Chas. D. Haven improved the opportunity to incidentally urge upon specials the importance of uncompromising loyalty to the Union, and concluded with the declaration that "we are happier to-night than a year ago." Col. Mayer took the cue from this, and sang "Happier are We To-night, Boys." Wm. Sexton told a story, and D. J. Staples indulged in some interesting political reminiscences. Geo. F. Grant rose, "as the President had concluded," and was greeted with a deafening roar of "He's a Jolly Good Fellow." This reminded him, or something else reminded him, of the story of a man with a gun, and he fired the story forthwith. C. F. Mullins distributed a little taffy to the boys, and was followed by Geo. W. Spencer,

whose speech was so facetious that our lightning stenographer transcribed it nearly literally for the benefit of the readers of the COAST REVIEW. Mr. Spencer has disclosed a vein of rich humor in the following speech, which is substantially as he delivered it at the banquet:

I presume many of you are surprised to meet me as a guest this evening, for since the appearance of a co-partnership notice in the daily papers, you would naturally expect to find me behind your chair, or perhaps further in the background—in the kitchen. For the benefit of those who have not seen this notice I will read the following advertisement:

**THE UNDERSIGNED HAVE THIS DAY FORMED** a partnership under the name of SPENCER & AYER, for the purpose of carrying on the Cabinet Restaurant, at 1007 Market street, above Sixth.  
GEORGE W. SPENCER,  
C. D. AYER.

Dated January 21, 1886.

This announcement immediately attracted the attention of my many friends and acquaintances, and from all sides were received kind expressions of regret at my leaving the insurance business, and the most encouraging promises of patronage in my new occupation. Much surprise has been manifested that I should give up a business in which I have been so long engaged, and take up another for which I am apparently unfitted. A few words of explanation will remove this impression and convince you gentlemen that I am eminently qualified to conduct a restaurant in a perfectly satisfactory manner. As a special for many years on the road, and as one until recently unfettered with the cares and responsibilities of a family, I have had exceptional advantages for studying hotel, boarding house, restaurant and club life in all the cities and towns on our Coast. From careful observation as a guest, I have acquired a thorough knowledge of the business. I have dined at Princeton, Chico, Marysville, Lathrop and other points in our State, and am acquainted with the special features and surprises met with in the hotels at these places. I am therefore not inexperienced, and can assure you obtaining at our establishment a tenderloin steak from the neck of a nine year-old steer, together with a "hot round," not excelled by any country hotel, or a "three for two" plant equal to that of any restaurant in the city.

There is another point, however, upon which I desire to say a few words. I confess, gentlemen, I was gratified and highly pleased with the interest you took in my welfare, evident from the many kind letters and words of encouragement received. There is a peculiarity, however, about all these letters and inquiries which is most suspicious, and I have concluded there is no sincerity in your pretended kindness, but simply a deep-laid plan upon the part of all of you to wreck the Cabinet Restaurant.

To illustrate, one of our members, whose whereabouts at meal times has never been discovered,

grasped me warmly by the hand and anxiously inquiring when I intended "starting up," promised to lunch with me regularly, provided terms could be arranged. That friend is present this evening, and I have watched him during the course of this dinner, and I say to him plainly, I have no terms to offer to a man who expects to eat three meals for the price of one lunch. Another gentleman, occupying an official position in this association, addressed me a proposition to supply upon this present occasion a three-course dinner, with doughnuts and coffee. I made no reply to this communication for I was displeased, but I would have him understand that I have not served as Chairman of this Dinner Committee for the past four years for nothing. I am fully aware of the fact that most of you lose a good many dinners in the course of a year, and simply attend this annual banquet to make them up. The Cabinet Restaurant, gentlemen, is not prepared to furnish a dinner to this association.

Again, three gentlemen who occupy respectable positions in the insurance business, sent me a joint letter, which under honied words of regret at my leaving the "Union" inquired how many ten-cent dishes could be furnished for a quarter of a dollar, and promised, if the terms were satisfactory, a large patronage. I know these gentlemen and do not desire their patronage. A ten-cent dish with twenty-five cents worth of bread and butter and a cup of coffee thrown in, together with radishes and pickles, which you all know are simply for ornament in our business, is not profitable, and when in addition to all this you request a cigar "for a regular customer," the result is profanity on the part of the proprietor, and in due time the closing of the restaurant.

There is too great a desire to patronize us. You are altogether too hungry. We don't want hungry customers—they eat too much. We want dyspeptics, men with their livers photographed on their faces, and friends from the East who are satisfied with the climate and require little else to sustain them. We thank you for your kind intentions, gentlemen, but respectfully and earnestly request that you will avoid the Cabinet Restaurant and give Spencer & Ayer a chance to live.

A. J. Bryant confessed that for one he was not "happier than a year ago"—and everybody who had heard of his investment in a Western assessment company keenly appreciated "the situation." L. B. Edwards wanted to hear from "the boys." He heard from them. Geo. D. Dornin dropped a word or two in praise of the wholesome recreation of the banquet, and was followed by C. P. Farnfield, Z. P. Clark, A. D. Smith, R. V. Watt, Rudolph Herold, M. D. Clapp, E. W. Carpenter, T. C. Grant, T. J. Conroy, Ben E. Ward, Calvert Meade,

R. H. Naunton and Franz Jacoby, whose pearly drops of wit and wisdom we can not even hint at, as the COAST REVIEW representative had in the meantime rushed away with the "Oakland contingent," in order to catch "the last boat."

The Dinner Committee, Geo. F. Grant, Geo. W. Spencer and W. L. Chalmers, are deserving of special mention for their services in making the banquet a complete success. The occasion was a most enjoyable one, and will long be a bright memory, and the source of pleasant anticipations for next year. The feast, the "tempering draughts," the music, the songs, the speeches, the badinage, the stories and jokes, were all adapted "to clear the cloudy front of wrinkled care," strengthen friendly feelings, smooth the asperities of business intercourse, and better qualify everyone present for the stern duties of life.

### Other-State Companies.

#### A FEW MORE FIGURES FROM THE ANNUAL STATEMENTS OF AMERICAN COMPANIES.

We complete our review of the other-State companies represented on this Coast, this month, as follows. The statement of the Teutonia, of New Orleans, has not yet been received. The majority of the companies did a prosperous business:

#### ALLEMANIA.

This Pittsburgh company makes about the same showing that it did a year ago, the figures being nominally lower in the several departments. The assets are now \$337,862, with a net surplus of \$27,268. The premiums were \$178,580, and the losses \$113,341, or 63 per cent.

#### AMAZON.

The Amazon, of Cincinnati, increased its premium income and lowered its loss ratio considerably last year. The assets and net surplus remain about the same. The assets are now \$555,793, and the net surplus is \$123,767. The premium income, by an addition of nearly \$20,000, became \$165,705, while the losses paid were \$94,718, or 57 per cent.

#### AMERICAN.

The American, of Newark, N. J., is able to report noteworthy gains in assets and premium receipts, and a nominal advance in its net surplus. The assets are now \$1,761,159, and the net surplus is \$844,866. The premium income advanced from \$331,420 to \$369,282. The losses aggregated \$191,944, or 52 per cent.

#### BOYLSTON MUTUAL.

This Boston company, which recently entered this State, and which is represented by Newhall & Co., has \$931,891 assets and \$159,609 net surplus. The pruning of risks was done with such a free knife that the premium receipts were reduced greatly, but there was a corresponding reduction in the loss ratio. The premiums aggregated \$270,585, of which 63 per cent. went to pay losses.

#### CLINTON.

The Clinton, of New York, a recent arrival, gained in premium receipts last year, and maintained the same loss ratio and sustained only a nominal decrease in assets. The salient figures are: Assets, \$460,019; net surplus, \$66,425; premiums, \$236,225; losses, \$126,790; ratio, 53.

#### FIREMEN'S.

The Firemen's, of Baltimore, make a very creditable showing, notable gains having been made in assets, net surplus and premiums, while a low loss ratio was maintained. The assets are now \$570,425, the net surplus is \$124,483, the premiums were \$113,044, and the losses were \$54,019, or 47 per cent.

#### GERMAN.

The German, of Freeport, Ill., gained notably in assets, net surplus and premiums, and was as fortunate as usual in the matter of losses. The assets, by a gain of nearly \$200,000, have become \$1,843,498. The net surplus is \$234,681. The premiums increased over \$200,000, passing the million post (\$1,126,149), and the losses were only 47 per cent.

#### OREGON.

The Oregon, of Portland, gained in assets, net surplus and premium receipts last year and reduced its loss ratio. The assets, by



an addition of \$42,585, advanced to \$311,573. The net surplus is now \$57,893. The premium income last year was \$57,721, a gain of \$13,507. The losses were \$17,302, or about 30 per cent. of the premiums.

#### PENNSYLVANIA.

The Pennsylvania, of Philadelphia, made an extraordinary gain in assets last year, and corresponding gain in net surplus and premiums. An addition of \$170,000 placed the assets at \$2,552,616. The net surplus advanced from \$901,772 to \$1,057,198; the premiums from \$835,499 to \$910,235. The losses (60 per cent.) were less.

#### SUN MUTUAL.

The Sun Mutual, of New Orleans, reports gains in assets and net surplus. The premium income was about the same. The assets are now \$979,410, and the net surplus is \$272,025. The premium income was \$255,113. The losses were unusually large, being 86 per cent. of the premiums. The management expenses were only 25 per cent.

#### UNION.

The Union, of Philadelphia, shows \$784,056 assets, \$9,302 net surplus, \$401,563 premiums, \$354,895 losses, and a loss ratio of 88 per cent.

### United States Branches of Foreign Companies.

The foreign companies generally did comparatively well in this country during 1885, reducing their loss ratios somewhat, and increasing their American assets and net surplus. Following is a brief summary of the annual reports of the United States branches, excepting those of companies operating in this field exclusively:

#### BRITISH AMERICA.

The United States branch of this Canadian company gained \$87,388 in assets, \$61,134 in net surplus, and \$62,356 in premium receipts. The "branch" figures are as follows: assets, \$802,443; liabilities, \$435,810; net surplus, \$366,633; premiums, \$619,665; losses, \$404,836; ratio, 65 per cent.

#### CITY OF LONDON.

In this country the City of London made a nominal reduction in assets and net sur-

plus. The United States branch reports assets to the amount of \$691,517, with \$364,339 liabilities, leaving a net surplus of \$327,178. The premium income last year was \$517,305, and the losses were \$411,119, or 79 per cent.

#### COMMERCIAL UNION.

We are able to credit this London company with gains on its American business, the asset, surplus and premium figures all being larger than a year ago. The "branch" assets are now \$2,459,782, and the net surplus is \$919,548. The premium receipts were \$1,893,068, of which 62 per cent. were required to pay losses.

#### FIRE INSURANCE ASSOCIATION.

The extraordinary losses incurred by the Fire Insurance Association of London in the great Galveston fire are largely responsible for an unfavorable comparative showing of the American branch this year. The assets and net surplus fell off somewhat, and the losses were greatly increased. The figures of the "branch" are: Assets, \$921,424; net surplus, \$387,201; premiums, \$760,959; losses, \$654,933; loss ratio, 86 per cent.

#### GUARDIAN.

The United States branch of this London company makes a very creditable showing, considerable gains having been made in the several departments, while the losses were far less. The assets of the branch are \$1,335,074, a gain of \$119,440. The net surplus is \$837,058. The premiums from the American business were \$679,826, and the losses, \$344,477, or 51 per cent.

#### HAMBURG-BREMEN.

Considerable gains were made by the United States branch of this German company last year, the assets, net surplus and premium income advancing, while the aggregate losses were about 20 per cent. less than during 1884. The branch figures are: Assets, \$1,023,594; net surplus, \$455,762; premiums, \$779,523; losses, \$454,304; ratio, 58 per cent.

#### IMPERIAL.

The Imperial of London added to the premium income from its American business, increased its assets over \$100,000, made a corresponding gain in net surplus,

STATEMENT  
OF THE  
**Boylston M. Insurance Company,**  
OF BOSTON,  
JANUARY 1, 1886.

Cash Capital,	.	.	.	.	.	.	\$557,200.00
Net Surplus,	.	.	.	.	.	.	159,609.70
							<u>\$716,809.70</u>

**ASSETS.**

250 Shares Merchants National Bank	-	\$36,250.00	
200 " State " "	-	24,800.00	
100 " Merchandise " "	-	10,200.00	
300 " Nat. Bank of the Republic	-	39,000.00	
300 " Washington Nat. Bank	-	40,200.00	
300 " Columbian " "	-	39,300.00	
200 " Tremont " "	-	22,200.00	
17 " New Engl'd " "	-	2,482.00	
67 " National Revere Bank	-	8,442.00	
55 " Boston & Albany Railroad	-	9,900.00	
300 " Boston & Providence " "	-	55,500.00	
263 " Fitchburg " "	-	31,560.00	
100,000 Boston & Prov. R. R. Bonds	-	123,000.00	
25,000 Old Colony R. R. Bonds	-	27,500.00	
30,000 Cedar Rapids & Mo. R. R. " "	-	35,705.00	
New Eng. Mortgage Security Co. " "	-	10,000.00	
Real Estate - - -	-	14,000.00	
United States Bonds - - -	-	57,120.00	
Loans on Mortgages - - -	-	163,000.00	
" Collateral - - -	-	75,400.00	
Cash on hand and in Bank - - -	-	63,542.35	
Marine Premium Notes not matured	-	15,667.83	
Premiums in course of Collection	-	22,728.54	
Accrued Interest - - -	-	4,393.40	931,891.12

**LIABILITIES.**

Estimated Losses - - -	-	50,185.00	
Re-insurance Fund (Fire) - - -	-	144,504.05	
" " (Marine) - - -	-	17,798.17	
Other Items - - -	-	2,594.20	215,081.42
			<u>\$716,809.70</u>

**J. W. BALCH, President.**

**H. M. NEWHALL & CO.,**

General Agents for Pacific Coast,

**GEO. MEL, Manager,**

Office, 309 Sansome St.,

San Francisco.





and incurred fewer losses. The "branch" assets are now \$1,589,991, with \$756,829 liabilities, leaving a net surplus of \$833,162. The premium income was \$1,022,651, and the losses were \$642,012, or 62 per cent.

#### LANCASHIRE.

The Lancashire, of Manchester, England, transacted a profitable business in this country last year, enabling the American branch to report gains in assets and premiums, and fewer losses than were incurred on a smaller business during the previous year. The "branch" figures are: Assets, \$1,513,228; net surplus, \$668,202; premiums, \$1,178,144; losses, \$724,249; ratio, 61 per cent.

#### LION.

The English Lion increased its premium receipts in this country last year, but in the matter of losses was not so fortunate as formerly. The figures otherwise are substantially the same as a year ago. The assets of the "branch" are \$764,435, the liabilities are \$235,691, making the net surplus \$528,744. The premiums were \$370,075, and the losses, \$261,301, or 70 per cent.

#### LIVERPOOL & LONDON & GLOBE.

The American branch of this English company retained its large share of the best business of the country last year, and presents these impressive figures in the annual report filed with the New York Insurance Department: Assets in the United States, \$5,924,011; liabilities, \$3,334,908; net surplus, \$2,589,103; premiums, \$3,553,506; losses, \$2,035,133; loss ratio, 57 per cent.

#### LONDON ASSURANCE.

The London Assurance made gains in this country last year in the volume of business transacted, in assets and net surplus. The "branch" reports \$1,412,481 assets, \$571,779 liabilities, \$840,702 net surplus, \$685,280 premiums, and \$439,566 losses. The loss ratio was 64 per cent. The losses were less than during the preceding year, although the premiums were more.

#### LONDON & LANCASHIRE.

The American branch of this Liverpool company is to be credited with gains in assets and net surplus, and with a favorable

loss ratio. The assets are \$1,432,466, and the liabilities are \$725,090, leaving a surplus of \$707,376, about \$57,000 more than last year. The premiums (\$998,285) were a trifle less than during 1884. The losses were \$591,057, a loss ratio of 59 per cent.

#### NORTH BRITISH & MERCANTILE.

The American branch figures are: Assets, \$3,421,870; net surplus, \$2,016,419; premiums, \$1,693,082; losses, \$1,009,806, a loss ratio of 60 per cent. Gains were made in the several departments, over \$100,000 having been added to the assets, nearly the same sum to the net surplus, and \$163,901 to the premium income, while the loss outgo was less than for the year previous.

#### NORTHERN.

The Northern, of London, made gains in the several departments of its American branch, and reduced its loss ratio. The "branch" assets are now \$1,339,540, with \$618,474 liabilities. The net surplus is therefore \$721,066. The premium receipts aggregated \$832,961, of which 63 per cent. were swallowed by losses incurred in this country.

#### NORWICH UNION.

The American branch of this English company reports assets to the amount of \$1,157,614, liabilities of \$567,582, a net surplus of \$590,031, a premium income of \$753,123, and a loss outgo of \$457,832, or 61 per cent. Gains were made in assets and premiums, and the losses were less than on a smaller business during the previous year.

#### PHENIX.

The Phoenix, of London, made extraordinary gains on its American business last year. The assets increased over \$240,000, the net surplus gained about \$77,000, and the premium income was nearly \$600,000 greater than during 1884, owing mainly to the reinsurance of the Manufacturers, of Boston. The "branch" figures are: Assets, \$1744,740; net surplus, \$537,365; premiums, \$1,814,704; losses, \$1,050,520; loss ratio, 57 per cent.

#### QUEEN.

In this country the Queen of Liverpool, gained considerably in assets and premiums

last year. The assets of the American branch are now \$1,841,536, and the net surplus is \$725,530. The premium receipts last year aggregated \$1,266,037. The losses were \$828,299, or 64 per cent. of the premiums.

## ROYAL.

The Royal, of Liverpool, did the large business in this country that it usually does, and added several hundred thousand dollars to its American assets and net surplus. The loss ratio was reduced five per cent. The "branch" figures are: Assets, \$4,712,899; net surplus, \$2,344,471; premiums, \$2,453,217; losses, \$1,434,062; loss ratio, 58 per cent.

## SCOTTISH UNION &amp; NATIONAL.

This Scottish company reports a gain in its American business, more assets to the credit of the branch, and a larger net surplus for the security of its American policyholders. The figures of the "branch" are as follows: Assets, \$1,153,219; liabilities, \$281,768; net surplus, \$871,451; premiums, \$374,744; losses, \$243,635; loss ratio, 65 per cent.

## TRANSATLANTIC.

The American branch of this Hamburg company reports \$484,355 assets, \$175,455 liabilities, \$308,899 net surplus, \$250,703 premiums, and \$147,807 losses, a loss ratio of 59 per cent. These figures are substantially the same as those reported a year ago. The Pacific department contributes nearly half of the premium income, and only one-tenth of the losses.

## WESTERN ASSURANCE.

In the United States this Canadian company now has invested, through its branch department, assets to the amount of \$920,283. The net surplus is \$406,353. The premium income was \$905,100, and the loss outgo, \$629,390, or 69 per cent. of the premiums. Gains were made in assets and net surplus, and while the premiums fell off somewhat, the pruning of the same secured a lower loss ratio.

In England the terms "insurer" and "insured" are used synonymously. If the company is not an insurer, what is it?

## The Business of 100 Companies.

The following table gives the premium receipts and losses, together with the ratio of losses to premiums, of one hundred fire insurance companies in the United States, now represented on this Coast, for the year 1885:

## LOCAL COMPANIES.

	Premiums	Losses	Ratio
Anglo-Nevada.....	\$14,186	.....	..
California.....	388,957	\$264,239	67
Commercial.....	354,490	213,135	61
Firemans Fund.....	842,646	442,212	53
Home Mutual.....	487,747	289,951	59
Oakland Home.....	148,553	87,928	59
Southern California.....	83,675	9,469	11
State Investment.....	146,778	99,751	66
Sun.....	207,972	121,580	60
Union.....	431,486	228,889	53
Western.....	168,348	130,733	77
Total.....	\$3,274,838	\$1,887,887	57

## OTHER-STATE COMPANIES.

	Premiums	Losses	Ratio
Ætna.....	\$2,420,385	\$1,285,854	53
Agricultural.....	737,824	418,261	56
Allemannia.....	178,580	113,341	63
Amazon.....	165,705	94,718	57
American (Phila.).....	1,014,500	578,117	57
American (N. J.).....	369,282	191,944	52
American Central.....	486,784	292,292	61
Boatmans.....	195,739	119,118	62
Baylston Mutual.....	270,585	172,855	63
Citizens (St. Louis).....	86,079	44,807	52
Clinton.....	236,225	126,790	53
Concordia.....	227,302	122,115	53
Connecticut.....	919,434	533,657	58
Continental.....	3,159,636	1,945,026	63
Farragut.....	179,349	65,853	37
Fire Association.....	1,534,996	979,282	65
Firemen's (Baltimore)...	113,044	54,019	47
Firemen's (Newark).....	281,984	119,101	42
Franklin.....	485,932	226,770	47
German (Freeport).....	1,126,149	533,887	47
German (Pittsburg).....	250,829	159,176	60
German-American.....	1,992,665	1,032,477	51
Germania.....	1,177,441	916,655	76
Girard.....	330,124	135,854	41
Glens Falls.....	564,333	287,167	51
Hartford.....	2,308,667	1,346,923	58
Home.....	3,574,417	1,990,709	55
Howard.....	301,488	164,514	55
Ins. Co. of North America	3,545,058	2,569,176	73
Ins. Co. of State of Penn.	187,139	124,503	65
Merchants (New York)...	98,385	62,246	63
Merchants (Newark).....	577,037	384,015	66
National (Hartford).....	490,453	281,581	57
National (N. Y.).....	198,805	112,067	56
New Hampshire.....	551,154	293,145	53
Niagara.....	1,464,104	790,014	54
Northwestern National...	475,532	232,521	49

Oregon.....	57,721	17,312	30
Orient.....	571,119	338,153	59
Pacific.....	309,642	189,817	63
Peoples.....	151,083	119,314	80
Pennsylvania (Phila.)...	910,235	544,140	60
Pennsylvania (Pittsburg)	122,898	112,514	93
Phenix (Brooklyn).....	4,883,962	2,863,850	58
Phoenix (Hartford).....	2,042,833	1,236,635	61
Providence-Washington..	472,734	255,393	54
Security.....	256,672	158,354	60
Springfield.....	1,603,366	894,864	56
Sun Mutual.....	255,113	220,141	86
St. Paul.....	606,442	345,432	57
Traders.....	477,691	336,403	70
Union (Phila.).....	401,563	354,895	88
Washington.....	742,877	366,991	49
Westchester.....	746,903	355,070	48
Williamsburg City.....	622,294	314,117	51

## UNITED STATES BRANCHES.

	Premiums	Losses	Ratio
*Atlas.....	\$14,409	\$551	4
British America.....	619,665	404,836	65
*Caledonian.....	22,275	196	..
City of London.....	517,305	411,119	79
Commercial Union....	1,898,068	1,172,108	62
Fire Ins. Ass'n.....	760,959	654,933	86
Guardian.....	679,826	344,477	51
Hamburg-Bremen.....	779,523	454,304	58
*Hamburg-Magdeburg...	52,141	30,683	59
*Helvetia.....	66,035	27,662	42
Imperial.....	1,022,651	642,012	62
Lancashire.....	1,178,144	724,249	61
Lion.....	370,075	261,301	70
Liverp'l & London & Globe	3,553,506	2,035,133	57
London.....	685,280	439,566	64
London & Lancashire...	998,285	591,057	59
*London & Provincial...	28,085	8,704	31
*Manchester.....	70,982	35,710	50
*National Assurance....	48,779	14,437	30
*New Zealand.....	89,895	29,843	83
Northern.....	832,961	531,304	63
North Brit. & Mercantile	1,693,082	1,009,806	60
*North German.....	67,567	30,758	45
Norwich Union.....	753,123	457,832	61
Phoenix.....	1,814,704	1,050,520	57
*Prussian National.....	51,371	14,690	29
Queen.....	1,266,037	828,299	64
Royal.....	2,453,217	1,434,062	58
Scottish Union & Nat'l...	374,744	243,635	65
*South British & Nat'l....	156,835	70,497	45
*Svea.....	47,724	20,655	43
Transatlantic.....	250,703	147,807	59
*Union (New Zealand)...	67,874	47,829	70
Western (Toronto).....	905,100	629,390	69

\*Operate on the Pacific Coast only.

The Phenix Insurance Company of Brooklyn leads in the amount of fire premiums during 1885. No American company or branch of a foreign company equalled its \$3,763,653.

## Insurable Interest.

A New York legal publication prints a summary of judicial views of insurable interest in the life of another person, from which we make the following extracts:

That a wife has an insurable interest in the life of her husband, has been decided by every court before which the question has come. *Baker v. Union Mutual Life Ins. Co.*, 43 N. Y., 283; *Connecticut Mutual Life Ins. Co. v. Schaefer*, 94 U. S., 457; *Warnock v. Davis*, 104, id., 775; *Fowler v. Butterly*, 78 N. Y. 73; *Thompson v. A. T. Life & Savings Ins. Co.*, 46 id., 674; *Mutual Life Ins. Co. v. Alden*. (Massachusetts Supreme Court), 30 Alb. L. J., 363.

A husband has no insurable interest in his wife's life. *Charter Oak Life Ins. Co. v. Brunt*, 47 Mo., 419. But an insurable interest in the life of his wife was held to exist in *Connecticut Mutual Life Ins. Co. v. Schaefer*, supra. In this last case the Court held that the policy being valid in its inception, the subsequent divorce of the parties would not vitiate it. To same effect, *Olmsted v. Keyes*, 85 N. Y., 601, and *Bliss Life Insurance*, § 30. See also *McKee v. Phoenix Ins. Co.*, 28 Mo., 383.

In *Chisholm v. National Capital Life Ins. Co.*, 52 Mo., 213, the Court went far beyond all precedents and sustained a policy of insurance on the life of a man in favor of his betrothed. This decision, however, is unquestionably correct on principle.

The English law would seem to be opposed to a policy issued on the life of a child in favor of the father. *Halford v. Kymer*, 10 B. & C., 724. But the rule is just the reverse in this country. All the cases sustained the insurability of the interest which the father has in the life of his child. *Connecticut Mutual Life Ins. Co. v. Schaefer*, 94 U. S., 457.

A mother has been held to have an insurable interest in the life of a child. *Rief v. Union Mutual Life Ins. Co.*, 17 Ins. Chron., 13.

A brother has no insurable interest in the life of his brother. *Lewis v. Phoenix Mutual Life Ins. Co.*, 39 Conn., 100. Neither has an uncle in the life of his nephew.



*Singleton v. St. Louis Mutual Life Ins. Co.*, 66 Mo., 63. Nor a nephew in life of uncle. *Mowry v. Home Life Ins. Co.*, 9 R. I., 346. But a sister has been held to have an insurable interest in the life of her brother, on whom she is dependent; *Lord v. Dale*, 12 Mass., 115; and a married sister in life of brother on whom she is dependent. *Frances v. Aetna Life Ins. Co.*, 2 Ins. L. J., 657. The right to recover on the policy in the first case was based, not on the mere relation existing between the parties, but on the fact that the sister had a pecuniary interest in her brother's life because of her dependence on him. It is not necessary that there should have been a valid marriage between the person whose life is insured and the beneficiary. It is sufficient if the parties are living together as husband and wife. *Equitable Life Ins. Co. v. Paterson*, 41 Ga., 338; *Estate of Mueller*, 31 Alb. L. J., 283. In each of these cases it appeared that the husband whose life was insured in favor of the woman with whom he was living as his wife had another wife living at the time the policy was issued; and yet both policies were sustained.

A creditor has an insurable interest in the life of his debtor. *Rawls v. American Mutual Life Ins. Co.*, 27 N. Y., 282; *Goodwin v. Massachusetts Life Ins. Co.*, 73 N. Y., 497. While it is true that a creditor has an insurable interest in the life of his debtor, that interest is not unlimited. The creditor cannot arbitrarily insure the life of his debtor in any amount irrespective of the amount of the debt. It has been expressly held that he cannot take out a policy largely in excess of his claim. *Fox v. Pennsylvania Mutual Life Ins. Co.*, 4 Big. L. & A. Ins. Cas., 458; *Morrell v. Trenton Mutual Life Ins. & Fire Ins. Co.*, 10 Cush., 282.

That he may insure his debtor's life in an amount exceeding his claim is settled by authority and clear upon principle. If he were limited to the actual sum due, he could never obtain indemnity, for the premiums paid would steadily reduce the net amount to be received under the policy, and the interest accruing would increase at the same time the amount of his claim. The following case sustains this doctrine: *Goodwin v.*

*Massachusetts Mutual Life Ins. Co.*, 73 N. Y., 480. In this case the amount of the debt was \$1,200, and the Court sustained a policy of \$5,000. The authority, however, is somewhat weakened by the fact that the insured was the sister of the person whose life was insured. The Court seems to have based its conclusion, in part at least on the ground of the relation existing between the parties. In *Bevin v. Connecticut Life Ins. Co.*, the amount loaned was \$300, and the Court sustained a policy of \$1,000. In *Hoyt v. New York Life Ins. Co.*, the policy was \$1,000, and the sum advanced about \$200. The policy was held valid. It is true that in each one of these cases the insured had an interest in the life of the debtor exceeding the amount of the debt, as he was to share in the profits, but that interest was not capable of being accurately or even approximately estimated; and the cases are therefore authorities for the general doctrine, that when the interest of the insured is merely a pecuniary one, it is not necessary that it should be susceptible of a definite valuation, and that the amount of recovery is not limited by the actual pecuniary loss sustained by the death of the debtor.

It has been held that a master has an insurable interest in the life of a skilled servant whom he has employed for a certain period. *Hebdon v. West*, 3 Best & S., 578.

In *Conn. Mut. Life Ins. Co. v. Luchs*, 108 U. S., 498, (28 Alb. L. J., 77), the Court decided that a partner has an insurable interest in the life of his co-partner.

A man whose property is swept away by fire and utterly lost, because uninsured, has no right to expect aid or assistance in making up his loss, from others who have taken due precaution in regard to their own property. Every responsibility carries with it certain duties that no man has a right to neglect. If he persists in doing so, he can blame nobody but himself. It might be said that a man's failure to provide for his family should not be charged upon them as a fault; but neither should the world be blamed if it refuse to share, what it has provided for its own, with others who are not entitled to share it.—*The Review*.

### From Washington Territory.

#### A PROTEST AGAINST LONG CREDIT FOR PREMIUMS.

I agree with the REVIEW on a good many questions, and like the Compact on general principles.

There are one or two alterations that seem to me ought to be made in the latter, viz.:

A limit should be put on the time given to the assured for the payment of premiums, for time given for payment is equivalent to a rebate; it also gives the local or general agent having the longest purse a decided advantage over his competitors who may be better agents.

This city recently advertised for bids for insuring the machinery of the water works. I received the contract by allowing eight months for payment of premiums, and the other bids were close to mine. Such length of time is entirely unreasonable, 30 days in my opinion being long enough, but what one agent does another is compelled to or lose the business.

I find that all my patrons who come from the East neither demand nor expect time, while those from the Pacific Coast demand and receive from 60 to 90 days. Also that the Pacific Coast men try more to trade dry goods, groceries, etc., for insurance than the others. We are on the border line between the East and West, and these things are very noticeable.

The rate of commissions paid for residence and country risks should be larger than that paid for business risks, say 20% on dwellings inside corporate limits, and 25% on all risks outside. The expense in time, making the survey, etc., for insuring a dwelling is much larger than for a business risk, while the premium, and consequently the commission, is much smaller. This is especially so in places like Spokane, where only the business portion is mapped and rated, and a dwelling that will bear \$2,000 to \$3,000 insurance the exception. The expenses of soliciting country risks is so great that I venture to say that there are not a dozen farm houses insured by all the agents in Spokane Falls.

I do not think a graded scale of commissions necessary, as the best agent will obtain the most business and choice of companies, and the ones who devote their whole time to any business will excel in it.

WENDELL HALL.

### The Mutual Life Insurance Company.

Although Americans have grown familiar with large figures—with Vanderbilt fortunes and great combinations of incorporated capital, and long lines of numerals representing the national revenues and debt—the annual statement of the Mutual Life Insurance Company, of New York, is always impressive in the magnitude of its resources and the extent of its income and disbursements. It is not enough to say that it is the largest life insurance company in the world, for it is so much the largest that there is none to compare with it. In assets, insurance in force, premiums and payments to policyholders, the Mutual Life is more than the equal of five of the largest British life companies combined.

Summarizing the annual statement of the company, printed elsewhere, we have the following figures: Policies, 120,952; insurance, \$368,981,441.36, premiums in 1885, \$14,768,901.93; paid policyholders in 1885, \$14,402,049.90, or only \$366,812.03 less than the amount paid by the policyholders in 1885; interest and rents, \$5,446,052.35, or 5.6 per cent. on the ledger assets. The assets are now \$108,908,967.51. The total income last year was \$20,214,954.28, and the total expenditures were \$16,889,340.38. The surplus at four per cent. is \$5,012,633.78. Gains were made as follows: In assets, \$5,032,789; in insurance in force, \$17,192,156; in premiums, \$918,644.

The marvelous growth of this great institution is well illustrated by the following decennial table:

Assets, 1845. ....	\$97,490 34
" 1855. ....	2,850,077 56
" 1865. ....	12,235,407 86
" 1875. ....	72,446,970 06
" 1885. ....	103,876,178 51
" 1886. ....	108,908,967 51

The five-year distribution policy, recently issued by the Mutual Life, has proved to

be very popular, owing to its liberal and non-forfeitable character. It may be well, in this connection, to outline some of the features of the new policy. Restrictions as to residence, travel and occupation are removed after two years. Paid-up insurance is given at the end of three years. Dividends are credited once in five years, and can be drawn in cash. A definite and liberal cash surrender value is promised at the end of each five-year period.

Since organized in 1852, the Mutual Life has received \$285,760,485 in premiums, and has returned to policyholders \$230,496,262. This, added to the present assets held in trust for policyholders, makes the excess to the credit of the latter, \$53,644,745. There can be no better argument for the economy, profitable investment and vast good accomplished by genuine life insurance than is presented by these figures.

Everybody properly takes pride in the growth and prosperity of the Mutual Life Insurance Company, for it is a credit to the American people, and a tower of strength to legitimate life insurance.

The February COAST REVIEW life table shows the payment of \$310,272 to California policyholders during 1885, by the Coast department, under A. B. Forb's management. This sum represents only about half the amount distributed to policyholders of the Mutual on this Coast.

### The Pacific Mutual Life Insurance Company.

In its eighteenth annual statement, our local life insurance company, the Pacific Mutual, presents the usual evidence of a progressive and economical management, and a record which entitles the company to the unreserved confidence of policyholders and the general public. Gains have been made in assets, net surplus and premium income; the management expenses have been reduced and the percentage of interest earnings has increased.

The assets are now \$1,338,591.76, a handsome gain over preceding year. The net surplus is \$152,053, a gain of several thousand. The premium income advanced \$32,670.74, being \$358,866.61 in 1885. The total

receipts were \$426,139.34, and the expenditures were \$368,214.03, leaving a neat balance of \$57,925. The interest-earning assets (\$965 573) brought in an average of \$7,645 per month, a net rate of 9.50 per cent. This is the highest rate of interest received by any life insurance company in the world.

In reviewing the annual statements of the Pacific Mutual for the past six years, we observe regular and highly creditable progress in the several departments, every year witnessing an advance in the right direction, the assets, surplus and business maintaining an upward movement, while the expense ratios have as steadily declined. For example, the expense of management to premium income has declined from 39.6 per cent in 1880, to 26.6 per cent. in 1885. The ratio of expenses to total income has fallen from 31.9 per cent. to 22.9 per cent. in the same time. The net surplus has advanced from \$91,048 in 1880 to \$152,053 in 1885, after eliminating all doubtful assets. The receipts have advanced from \$376,216 to \$426,139 annually.

These figures attest the stability and substantial prosperity of the Pacific Mutual Life Insurance Company, and challenge the entire confidence of the life-insuring public.

### Portland Correspondence.

PORTLAND, OR., Feb 25, 1886.

EDITOR COAST REVIEW.—The Washington Territory Legislature has adjourned, though not before having made several onslaughts on the insurance companies' finances, which all turned out abortive, no doubt owing a good deal to the firmness of the underwriting fraternity, who have determined not to be bled.

If report says truly, the Idaho people are already very sorry that they passed the valued policy bill, and although, like the schoolboy who received a reprimand, they may sulk a little, still they would only too willingly welcome back some responsible insurance concerns, although fortune has of late favored them somewhat, and fires have been scarce.

### A LICENSE ORDINANCE.

Our city is at present laboring under financial difficulty, and the result is a levy



# EIGHTEENTH ANNUAL STATEMENT

# THE PACIFIC MUTUAL

Life Insurance Co., of California.

FOR THE YEAR ENDING DECEMBER THIRTY-FIRST, 1885.

Received for Premiums.....	\$358,866	61
Received Interest, Rents, &c.....	67,272	73
<b>TOTAL RECEIPTS.....</b>	<b>\$426,139</b>	<b>34</b>
Paid Death Losses, Matured Endowments, Dividends and Surrender Values.....	\$271,708	70
Paid for Expenses of Management, including Taxes...	96,505	33
<b>BALANCE.....</b>	<b>\$ 57,925</b>	<b>31</b>

## Assets.

Real Estate.....	\$157,528	04
Loans on Real Estate, first liens.....	831,312	25
Collateral Loans.....	5,544	24
Loans to Policy-holders on their Policies.....	19,621	78
Premium Notes.....	64,100	84
Bonds and Stocks owned by Company.....	6,958	39
Cash in Bank and Office.....	121,408	95
Agents' Balances.....	3,466	29
Furniture, Fixtures and Individual Accounts.....	4,544	21
Merchandise and Personal Property.....	4,749	93
Interest Due and Accrued.....	60,164	55
Premiums Due and Deferred (Net).....	54,365	80
Bills Receivable.....	1,826	49
Supplies, Printed Matter, &c.....	3,000	00
<b>TOTAL GROSS ASSETS.....</b>	<b>\$1,338,591</b>	<b>76</b>

## Liabilities.

Net Present Value of all outstanding Policies, computed according to American Table of Mortality, with Interest at $4\frac{1}{2}$ per cent.....	\$1,156,333	00
Death Losses in process of Adjustment.....	17,500	00
<b>Total Liabilities.....</b>	<b>\$1,173,833</b>	<b>00</b>
<b>Gross Surplus.....</b>	<b>164,758</b>	<b>76</b>
<b>TOTAL.....</b>	<b>\$1,338,591</b>	<b>76</b>

GEORGE A. MOORE, *President.*

GEO. W. BEAVER, *Vice-President.*

SAMUEL M. MARKS, *Ass't Secretary,*

THOS. BENNET, *Gen'l Superintendent,*

W. R. CLUNESS, M. D., *Medical Director,*

J. N. PATTON, *Secretary,*

WM. O. GOULD, *Actuary,*

CHAS. N. FOX, *Attorney.*

Principal Office, 418 California St., S. F.



on the insurance companies. The following ordinance has been passed, and is now a law:

Ordinance No. 4786. Sec. 2. Insurance brokers shall pay a quarterly license of fifteen dollars. Every person, firm, company, association or corporation, representing fire, marine or life, as agent or agents thereof, doing business within the City of Portland, shall be deemed insurance brokers for the purpose of this ordinance.

No doubt we shall deem it wise to contest this new imposition, as once before we defeated a similar one, but this time, owing to the city having under its amended charter been recently granted more powers, we may not be quite so successful; there is one consolation, however, that if we should lose we shall probably, in order to protect ourselves from future and perhaps larger depredations, find it necessary to call upon the assured to stand this "little joker," in the shape of an extra premium charge.

I want to say a word or two to the managers or general agents, which I think necessary, and as a matter of justice to many sub-agents who have spoken to me on the subject. If in numerous instances the premium list has decreased somewhat, the agents are frequently not to blame, as at present there are many reasons which are conducive to this state of affairs, namely: Business in general, although reviving slowly, is still very dull. The north part of the town, which used to yield heavy premiums, but owing to frame ranges more often called for large losses, is now pretty well tabooed. Since the completion of the Northern Pacific Railroad, and constant connection with the East, the large merchants do not find it necessary to carry such heavy stocks. There have been some additions to the companies here. The Oregon, with its list of our very heaviest and largest property holders, is constantly cutting in on us all in a most unmerciful manner, and of late the shareholders have allowed their company to place all their insurance, the commissions derived therefrom going to swell the assets of the company, but at the same time playing sad havoc with agents and brokers who have to depend entirely on their commissions for a livelihood. Last, but not least, owing to the great scarcity of fires of late, many peo-

ple have become ridiculously emboldened, and think they can carry their own risks, or frequently a goodly portion of them.

When all these things are taken into consideration, managers or general agents may understand that things are not exactly what they were.

The Chinese question at present is red hot. The Mongolians have been driven "*volens volens*" into Portland, from numerous adjacent towns. Riot is threatened here, and there is no question, were the mob to have their own way to-day, serious results would ensue. A goodly number would not be satisfied in looting the Chinese quarters alone, but would seek for better things afterward. It is therefore well to know that the law-abiding citizens are largely in the majority, and peace and order will be maintained at any cost. The bearing this question has on the insurance companies will be to make them more than ever cautious in accepting Chinese risks, but I hardly apprehend that there is, as yet, any good reason why this class of business should be entirely rejected. On the contrary those that have the courage to stay with it now, in moderation, will I think be amply rewarded after all the blood and thunder business is over.

Towards the end of this month we had quite a good sized fire in the Chinese quarters, on Second, near Taylor street. When first discovered it had gained considerable headway. The firemen did some good work, and their efficiency no doubt helped to save the large three-story brick building adjoining. The Chinese theatre was pretty well damaged, and so were several of the Chinese stocks. The insurance on buildings and stocks footed up in the neighborhood of \$20,000. The adjustment of the same I should judge will approximate \$10,000.

Cooper's warehouse, at Irving, was destroyed recently. It was one of the finest warehouses on the O. & C. railroad. It cost some \$7,000, and was insured for \$1,500. Cause, supposed to be incendiary tramps.

Porak & Dessert's large malt house was burned completely on the 17th inst. Nothing was saved except some malt and barley. Loss about \$10,000. Insured for \$7,000 in



Liverpool & London & Globe, Hartford and Commercial insurance companies.

#### NEW COMPANY.

The following is self-explanatory:

Articles of incorporation of the Northwest Fire and Marine Insurance Company were filed in the office of the County Clerk. The object of the corporation is to carry on a fire and marine insurance business in all its branches. The capital stock is to be \$200,000, divided into 2,000 shares of \$100 each, and the principal office is to be located in Portland. A. N. Gambell, F. E. Beach, and Thomas Mann are the incorporators.

This occurred some weeks ago, since which time I have not heard anything more about the concern. In view of the general depression they will probably have a hard task to get the amount subscribed.

The Western Fire & Marine is suing Messrs. Blumauer & Lewis, who were the bondsmen of a defaulting agent.

Special Gartner is once more at his post of duty, after having spent a very pleasant visit to your city.

There is some talk of a wildcat New Jersey company putting up the deposit and starting to "bull" the insurance market as a free lance.

Jas. McL. Harvey has withdrawn from the firm of Oldendorff, Harvey & Co., which will hereafter be known as Oldendorff, Monnastes & Co. Mr. Harvey will now devote his time entirely to the life business, having in conjunction with A. May the general agency of the Equitable Co.

Mr. Fechheimer, president of the Oregon Insurance Co. since incorporation, has been compelled to go East, owing to a very serious malady which calls for an important operation.

The Portland agency of the Accident Insurance Co. of North America has been transferred from E. D. White to Geo. A. Steele & Co. Mr. Cotton will manage this department for Messrs. Steele & Co.

R. H. Thompson (Thompson & Rigen) has gone East on a visit, combining business and pleasure. He will be absent some two months.

A. M. Plato of this city has recently been granted a patent on an electric fire escape, which from all accounts promises to become very useful and valuable.

#### IS IT THE GREAT WESTERN MUTUAL?

The following I clip from a daily provincial paper:

The crooked way the Colorado Insurance Company has of doing business has been reported to us. It is understood the company has quite a large number of members here who are being "gulled" into paying assessments that will never do them any good. A letter received in this city from a widow of a policyholder who died some time ago states the company will not pay her the amount of the policy, notwithstanding the fact that the company has collected the assessments as they were called for.

The poor grangers will nibble at these fraudulent institutions.

Your February number came in for a goodly share of well deserved favorable comment; many considered it one of the best numbers ever issued by you. The statistical portion, in which the general insurance race was keenly portrayed, was highly enjoyed.

In the United States Circuit Court the demurrer to the complaint in the case of D. P. Thompson, receiver, v. the Phenix Ins. Co., of Brooklyn, has been sustained and the case dismissed. This was the case in which Thompson, receiver of Holladay estate, sued to recover \$5,000 total loss in the Clarendon Hotel, but which was finally lost by him, owing to the suit not having been commenced in time.

NAOLS.

#### The Western Fire and Marine Insurance Company of San Francisco.

IT IS ABSORBED BY THE STATE INVESTMENT INSURANCE CO.

As intimated in recent numbers of the COAST REVIEW, the Western F. and M. Ins. Co. of this city has been in financial difficulties for some time past, owing to mismanagement, slow collections, defaulting agents, and careless and inefficient office work. These difficulties finally culminated in so great an impairment of capital that the reinsurance of all risks and the dissolution of the company were resolved upon. Satisfactory arrangements were made with the State Investment, whereby that company took over all risks of the Western and assumed all liabilities.

The Western F. and M. Ins. Co. was organized in 1878, and from its inception was managed by an executive committee of business men who knew nothing of underwriting. The company has had four Secretaries, none of whom had any authority or influence as to its policy. They were merely accountants. The directors steadily refused to employ experienced insurance talent, because good insurance men were "too expensive." Good field men were sent out, however, and they did excellent work in getting business; but the executive committee so handled that business that a \$40,000 assessment was levied last November, and a \$76,000 assessment followed in February. The last assessment was too much, however, and the executive committee of the company is now without an occupation.

The ill-directed economy of the executive committee was also responsible for an inefficient office force, and the experts who recently examined the books found confusion everywhere. So little was known of the real state of the company's affairs that it was believed that the first assessment of \$20 per share was sufficient to make good all impairments of capital, and a temporary statement was filed, as required by law, with the consent of the Commissioner. At this time the gross premiums in course of collection, "not more than three months due," were over half the net premium income of the company. How much greater sum of outstanding premiums further investigation revealed we do not know, nor how much was from three to six months old, but an additional assessment of \$38 per share was found necessary to make good the impairment, making \$116,000 altogether. The last assessment was not paid, however, the retirement of the company being resolved upon.

Most of the Western's business was secured at enormous expense. Some agents have received as high as 35 per cent. commission, and many 25 or 30 per cent. The policy of the management committee was, apparently, to get at any cost business in the field, and offset the outlay by handling that business with cheap office help.

Secretary Sessions is to be credited with

earnest efforts to put the affairs of the company in ship shape, but the task was too herculean.

### Anglo-Nevada Affairs.

#### RESIGNATION OF PRESIDENT HARRISON.

During the past month, local underwriting circles have been agog with disquieting rumors touching the agency of the Royal, Norwich Union and Lancashire insurance companies, which was reported as transferred from Falkner, Bell & Co. to the Anglo-Nevada Assurance Corporation. Then the report was flatly contradicted, and following this contradiction there were hints of serious differences of opinion between the President and the directors of the Anglo-Nevada. The gossip of the street got into the daily papers, and was diversified and magnified to sensational proportions. The upshot of it all was the resignation of President Harrison, and the authoritative announcement that the agency of the Royal, Norwich Union and Lancashire would remain in its present hands.

The causes leading to the rupture between the directors and the President of the Anglo-Nevada may be briefly outlined as follows. In order to satisfactorily complete the transfer the agency of the Thames & Mersey Marine Ins. Co. to the Anglo-Nevada, Mr. Harrison visited England. While there he entertained what he believed to be advantageous proposals for a coalition of the Royal, Norwich Union and Lancashire and the Anglo-Nevada, the four companies to share the business and write a joint policy in this field, and the Anglo-Nevada to be represented by the Royal in the Eastern States. Mr. Harrison cabled the proposition to the Anglo-Nevada people, and received a reply which he construed to be an acceptance. The contract was, of course, subject to confirmation when the details were submitted to the directors of the Anglo-Nevada. The proposition, as cabled in skeleton form, was not understood, it seems, for when submitted to the directors for final action, it was rejected. Mr. Harrison thereupon resigned the Presidency of the Anglo-Nevada, but retained the agency of the Thames & Mersey Marine. The Anglo-Nevada policies are

payable wherever the Thames & Mersey is represented, however, arrangements to that effect having been completed, as originally designed when a change of agency was contemplated.

### The California Life and Accident Association.

THE SECRETARY SAYS A CERTIFICATE IS WORTH NOT TO EXCEED FIFTY PER CENT.

The following is a letter written by the Secretary of the California Life and Accident Association, a co-operative of this city, to a member. The Secretary informed his correspondent that his certificate was at the time of writing worth not to exceed 50 per cent. Comment is unnecessary. The letter speaks for itself:

SAN FRANCISCO, Cal., Oct. 7, 1885.

A. A. NORDYKE, Willows, Colusa Co., Cal.;

Dear Sir—Your favor of 2d inst. at hand. In reply to your first question, I will say that you do not owe anything at the present time, all assessments having been paid by you. In reply to your other question, as to "how much you will receive in case of death?" will say at the present time your certificate is worth not to exceed 50 per cent., but we expect to be paying full benefits within the next 12 months. Owing to the dullness of every branch of industry in the State during the last year, we have not gained as rapidly as we hoped to, but we now are doing much better than we have been doing, and expect within the next 12 months to have our numbers complete. Awaiting your further favors, I remain,

Yours very respectfully,

(Signed) W. H. PETTIS, Sec'y.

### Queer Ruling of the Insurance Commissioner.

A FOREIGN COMPANY IS ADMITTED WITHOUT COMPLIANCE WITH THE LAW.

The insurance laws of this State require detailed statements of the condition and affairs—assets, liabilities, income and expenditures—of every company, local, domestic and foreign, operating within her boundaries. Every statement must be a sworn-to and complete exhibit of the company's condition on the 31st day of December then next preceding. Section 612 of the Political Code provides that such statements must show the amount of the capital stock and specify the real estate, cash, stocks,

loans, liabilities, income, expenditures, etc. The foreign companies are not only *not* excluded from the provisions of the law, but a clause of Section 611 grants them until May 1st to file their statements, or one month and twenty days longer than domestic companies. The additional time is granted because of the greater distance of the parent offices. There is nothing equivocal or doubtful about any section or clause of the law. Heretofore the law has been complied with by all foreign companies. Every Insurance Commissioner has exacted the statements of the parent offices. Mr. Knight accepts the statement of the United States branch of the Sun Fire Office of London, and deliberately ignores the law requiring full and detailed statements of the company. It is but fair to add that he claims to have reached his views of the law after mature reflection and consultation with another attorney. This really makes a worse case against Mr. Knight, for a hasty action, even though inconsistent with previous rulings, would present some extenuation for his violation of the letter and the spirit of the law.

There has been filed with the statement of the United States branch of the Sun Fire office, a transcript of a brief summary of the company's resources, dated November 14, 1885. This latter "statement," prepared for some Eastern commissioner, simply says that "the value of property in the hands of the management" is "estimated to exceed" \$7,000,000. There is no mention made of the capital stock, nor of the business of the company, nor are there any specifications of the resources and liabilities. The Sun Fire office is a "close" corporation. Its annual exhibits are never made public, for reasons which can only be surmised. It is said to have spent much money in shaping legislation in the East favorable to the maintenance of its un-American policy of concealment. It has tried to evade, and has temporarily succeeded in evading, the California laws.

The law of this State requires that every stock fire insurance company shall have a cash capital of \$200,000. The statement must show the amount of capital stock.



This the statement accepted by Mr. Knight fails to do, and the inference is that the Sun Fire Office is a mutual company.

We have certainly shown that Mr. Knight, in accepting the statement of a branch office of a foreign company in lieu of a statement of the head office, is responsible for an innovation without a precedent in this State, and in direct violation of the law. The question of the solvency of the company or its American branch has not been raised, and does not affect the legal aspect of Mr. Knight's action. He has admitted a foreign company without exacting the detailed statement required by law, and without any evidence that it has the \$200,000 capital stock also required by law. For aught that Mr. Knight officially knows, the Sun Fire Office may be a mutual fire insurance company; and in either case it is required to file a statement showing its affairs and condition, and not the United States branch affairs and condition.

### A Sample Judicial Decision.

A farmer, from loss to be secured,  
For many years his *dwelling* insured,  
But at last one day, when his luck had turned,  
His house and all his buildings burned,  
The adjusters no chance for salvage could find.  
So he filled out his proofs to have them signed,  
But the farmer read them and shook his head,  
"You will pay for the house, I see," he said,  
"But where in the world will I get any pay  
"For my barn and sheds, my tools and hay?"  
The adjuster tried, but all in vain,  
To make the matter very plain,  
But it only seemed that the more he tried  
The less was the farmer satisfied.  
At last the farmer a lawyer employed,  
Thus made it impossible suit to avoid.  
So the case was tried and the judge's decision  
Was given as follows with great precision:  
"It really seems to this court very funny  
"That, having for years use of this man's money,  
"The company now to pay should refuse,  
"And this court such action will never excuse.  
"They say that the policy the barn did not mention,  
"But the plaintiff claims that it was his intention  
"To insure all he had, and it is very clear  
"That the word *dwelling*, as it is used here,  
"Every barn, every pigsty and shed does include.  
"This court at least will decide that it should.  
"This large British policy I hold in my hand  
"In *size* ought to cover any barn in the land.  
"It surely holds good in law all the world over,  
"A building of any kind its contents must cover,  
"So the court here decides that defendant must pay

"For all that the plaintiff lost that day,  
"For all that he *meant* to insure, but forgot  
"To mention when he the policy got.  
"And I really think that the company ought  
"For even allowing this suit to be brought,  
"And this matter the mind of the court to trouble,  
"For contempt of court to be made to pay double."  
"B."

—California Knapsack.

### FIRES.

January 30, Sacramento, Cal., merchandise:

Fire Ins. Ass'n, London.....	\$527
American Central.....	1,040
Liverpool & London & Globe.....	1,223

January 31, Eureka, Cal., frame building:  
Pacific.....\$352

January —, Santa Rosa, Cal., general merchandise:

Commercial, San Francisco.....	\$300
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February 12, Fresno county, Cal., dwelling:

Phenix, Brooklyn.....	\$700
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February 18, Chico, Cal., general merchandise, saloon and frame building:

Svea.....	\$700
Pacific.....	800
Liverpool & London & Globe.....	135
Commercial Union.....	620

February —, San Francisco, general merchandise:

Commercial, San Francisco.....	\$706
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February 17, San Francisco, fancy goods:  
Prussian National.....\$500

February 22, San Bernardino, Cal., dwelling and contents:

Lion.....	\$500
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February 2, San Francisco, furniture, etc.;  
Union, New Zealand.....\$300  
South British & National.....302

February 14, San Francisco, brick building:

Howard.....	\$187
Bowery.....	187

February 4, San Francisco, furniture, etc.:  
South British & National.....\$351

February 18, San Francisco, bakery:  
Hartford.....\$435  
New Zealand.....140

February 14, San Francisco, cigar stock:  
Prussian National.....\$1,800

February 7, San Francisco, household furniture:  
Firemans Fund.....\$350

February 5, San Francisco, cigar factory:	
Prussian National.....	\$411
Providence-Washington.....	411
North German.....	411
New Zealand.....	451
February 21, San Francisco, paints and oils:	
Svea.....	\$2,950
February 17, San Francisco, dry goods store:	
London & Provincial.....	\$1,000
February 17, San Francisco, clothing:	
New Zealand.....	\$500
February 24, San Francisco, Chinese store:	
Helvetia.....	\$140
February 5, San Francisco, coffee-roaster:	
Firemans Fund.....	\$425
February 5, San Francisco, frame dwelling:	
Liverpool & London & Globe.....	\$171
February 11, Farmington, Cal., frame office:	
Firemans Fund.....	\$393
February 1, Los Angeles, Cal., merchandise:	
Imperial, London, Northern & Queen.....	\$465
February 1, Los Angeles, Cal., brick hotel:	
Oakland Home.....	\$237
February 18, Los Angeles, Cal., frame buildings, saloon and merchandise:	
Union, San Francisco.....	\$450
Home Mutual.....	1,040
Firemans Fund.....	480
City of London.....	225
Hartford.....	480
Svea.....	550
February 3, Los Angeles, Cal., frame barn:	
Home & Phoenix.....	\$300
February 20, Fresno, Cal., brewery:	
Commercial Union.....	\$1,200
Manchester.....	1,000
February 16, Alameda Co., Cal., barn:	
Home Mutual.....	\$600
February 28, Mayfield, Cal., saloon:	
Hartford.....	\$500
February 11, Oakland, Cal., dwelling:	
Union, San Francisco.....	\$2,500
February 6, Towles Station, Cal., dwelling:	
Phoenix, Brooklyn.....	\$2,725
February 1, San Joaquin Co., Cal., dwelling:	
State Investment.....	\$1,200

February 10, Piedmont, Cal., household furniture:	
Lion.....	\$2,400
Orient.....	1,000
February 7, Grass Valley, Cal., dwelling:	
Commercial Union.....	\$600
February 26, Sierra Valley, Cal., dwelling:	
Sun.....	\$500
February 20, Sacramento, Cal., brick building:	
Royal, Norwich Union & Lancashire.....	\$105
Union, San Francisco.....	105
February 10, Red Bluff, Cal., general fire:	
London & Lancashire.....	\$500
Manchester.....	400
Commercial Union.....	191
Lion.....	650
Fire Ins. Ass'n, London.....	500
February 1, Colton, Cal., barn and contents:	
Connecticut.....	\$355
February 9, Stockton, Cal., dwelling:	
Connecticut.....	\$150
Oakland Home.....	592
February —, Merced, Cal., barn:	
Commercial, San Francisco.....	\$300
February 26, Lathrop, Cal., hotel and furniture:	
Ætna.....	\$964
State Investment.....	2,234
Western, San Francisco.....	1,117
Oakland Home.....	1,117
Traders.....	1,047
Total.....	\$6,479
February 22, Mission San Jose, Cal., dwelling and furniture:	
Oakland Home.....	\$300
February 23, San Jose, Cal., laundry and contents:	
N. Y. Underwriters.....	\$620
Continental.....	930
February 23, Fresno, Cal., dwelling:	
Phoenix, Brooklyn.....	\$350
February 2, Folsom, Cal., saloon:	
Southern California.....	\$200
February 6, Yuba City, Cal., frame dwelling:	
Liverpool & London & Globe.....	\$1,000
February 22, Eliwanda, Cal., dwelling:	
Southern California.....	\$825
February 19, San Jose, Cal., frame barn:	
Home & Phoenix.....	\$475
February 2, Eureka, Cal., furniture, etc.:	
California.....	\$190

February 9, Santa Cruz, Cal., dwelling and barn:

California .....\$180

February 24, Williams, Cal., hotel and furniture:

Home & Phoenix.....\$664

Western, San Francisco ..... 2,500

February 9, Globe, A. T., dwelling:

Hartford .....\$1,100

February 4, Portland, Or., dwelling:

Home Mutual .....\$800

February 16, Sprague, W. T., malt house and frame brewery:

Hartford .....\$1 724

Liverpool & London & Globe..... 3,449

Total.....\$5,173

February 25, Portland, Or., general merchandise:

Commercial Union.....\$118

February 12, Washington Ty., barn:

Phenix, Brooklyn.....\$400

February 25, Glendive, Montana, law library:

Home & Phoenix .....\$500

February 15, Sundance, W. T., frame store building:

Scottish Union & National.....\$600

February 16, Salt Lake City, Utah:

Union, San Francisco.....\$119

February 17, Peterson Point, W. T., frame dwelling:

Home & Phoenix.....\$2,400

February 24, Portland, Or., stock merchandise in brick.

Scottish Union.....\$3,000

February 4, Miles City, Montana, frame dwelling and contents:

Union, New Zealand .....\$500

California ..... 2,000

February 14, Flagstaff, Arizona, building and merchandise:

Scottish Union & National.....\$2,450

February 2, Montezuma, W. T., frame hotel:

Home & Phoenix.....\$436

February 26, Seattle, W. T., dwelling:

Agricultural .....\$400

February 12, Centerville, M. T., dwelling and boarding house:

Etna.....\$800

Howard ..... 500

Scottish Union..... 800

Connecticut..... 975

February 8, Reno, Nev., dwelling:

Phenix, London.....\$400

February 25, Portland, Or., general merchandise:

Hamburg-Bremen.....\$500

February 25, Logan City, Utah, hay:

American, Philadelphia.....\$600

February 5, Butte City, Montana, general fire:

Firemans Fund .....\$1,200

North British & Mercantile..... 400

Sun ..... 400

Lion ..... 400

Commercial, San Francisco ..... 2,360

February 7, Butte City, Montana, dairy barn:

London & Lancashire.....\$693

Manchester..... 693

Etna ..... 1,385

February 26, Spokane, W. T., merchandise and dwelling:

Fire Ins. Ass'n, London.....\$600

Lion..... 500

February 25, Portland, Or., brick building:

North British & Mercantile.....\$1,000

German-American..... 1,000

February 1, Los Angeles, dwelling:

Western, San Francisco.....\$360

February 15, near Florin, Cal., barn:

Western, San Francisco.....\$300

February 28, South San Francisco, dwelling:

Guardian.....\$1,750

February 19, San Francisco, machinery:

Western, San Francisco.....\$159

Grand total.....\$93,205

## CHIPS.

—At the annual meeting of the stockholders of the Pacific Mutual Life Insurance Co., held on the 9th of February, the old Board of Directors were re-elected with one exception. L. P. Drexler was elected in place of B. F. Langford. At a meeting of the Directors the following officers were elected: President, Geo. A. Moore; Vice-President, Geo. W. Beaver; Secretary, J. N. Patton; Assistant Secretary, Samuel Marks; Actuary, W. O. Gould; General Superintendent, Thomas Bennet; Medical Director, W. R. Cluness.



—H. H. Bigelow, after two years' farming, hat-passer is returned to his first love, fire insurance. He goes with the Home Mutual.

—Mr. Badlam's pet Merchants' and Bankers' hat-passer is reported as doing a lively business in this city. Oh, what a kicking there will be when the mortality begins to call for more coin in the shape of assessments.

—At the burning of the Lathrop railroad hotel, in this State, vigorous efforts were made to extinguish the flames on their discovery, with hand grenades, but without avail. The grenades were "no good."

—The State Investment and Insurance Company, of this city, has taken over the business of the Western F. and M. Ins. Co., absorbing its assets, reinsuring its outstanding risks, and assuming all liabilities. The cash capital of the company will be increased to \$400,000, which will make the assets about \$600,000. Equitable arrangements have been made with the stockholders of the Western, whereby their interests in the net assets of that company will be exchanged for State Investment stock. This is a wise move on the part of both the State Investment and the stockholders of the Western, for the former enlarges its business, and the latter get out of financial hot water on the best available terms.

—The first annual meeting of the Association of Marine Underwriters of this city was held on February 11, when the following officers were elected for the ensuing year: President, N. T. James, of the Firemans Fund; Vice President, E. L. Woods, of the Union and Maritime; Secretary and Treasurer, Fred S. Butler, of the Union (S. F.). This association was organized about a year ago, to "promote harmony and good practice," and to "discuss topics of interest to the profession." On February 18, at the regular monthly meeting of the association, papers were read by President James and W. H. C. Fowler of the California. Important discussions followed. The association has adopted the plan of reading and discussing papers monthly, instead of yearly. At every monthly meeting, therefore, one or more interesting papers will be read and discussed.

—English life insurance companies do not pay death claims within three to six months.

—A valued policy bill has been introduced in the Iowa legislature. This thing is getting monotonous.

—Mr. Frank Lock, of New York, joint manager of U. S. branch of the Fire Insurance Association, is visiting this city.

—Messrs. Hutchinson & Mann have been appointed general agents for the Pacific Coast of the Sun Fire Office, of London.

—H. W. Wright, of San Jose, Charles R. Johnson, of Los Angeles, and Philip C. Schuyler, of Portland, were in this city last month.

—There is a cab-horse insurance company in Paris. The mortality is large, and fatal accidents are numerous—among the horses that are insured.

—For recent complimentary notices of the COAST REVIEW our exchanges will please accept our hearty thanks. If our readers had a tithe of the interest and pleasure we have in the said notices, we should print them all.

—At a meeting of the stockholders of the Firemans Fund Ins. Co., held last month, it was voted to increase the capital stock to \$1,000,000. Nearly all (6,885) of the 7,500 shares of the company were represented, and there was not a dissenting vote. This increase of capital places the assets of the company at about \$2,000,000. The stockholders have the privilege of buying, pro rata, stock at the rate of \$1.30, although the market value is greater.

—The fire losses in the principal cities of the United States in 1885 were as follows:

New York.....	\$3,800,000
Philadelphia.....	1,566,992
Chicago.....	2,240,841
Boston.....	1,500,000
St. Louis.....	497,985
Cincinnati.....	873,719
Baltimore.....	441,743
Brooklyn.....	779,031
San Francisco.....	1,026,066
Richmond, Va.....	350,000
Milwaukee.....	235,063
Louisville, Ky.....	497,860
Albany, N. Y.....	278,218

—J. M. Crabbe has been selected an assistant manager for the Pacific Ins. Union, with headquarters at Helena, Montana.

—J. S. Wilkins, General Agent of the Connecticut Mutual Life Insurance Company for the Pacific Coast, has gone to Hartford to attend the annual meeting of his excellent old company.

—W. H. Davis, of the Pacific Mutual, has been taken from field work and placed in charge of the San Francisco department of the company. Mr. Davis is a worker early and late, and we shall expect to hear of good results from his department.

—E. H. Bemis has been selected as district agent for Brown, Craig & Co.'s agency at Modesto. Mr. Bemis is a gentleman who has been engaged in the business of soliciting farm property insurance for the past fifteen years "back in the States," and comes to the Coast with an excellent record.

—The Accident Department of the Pacific Mutual Life Insurance Co., which began active business on the first of June last, under the supervision of Thomas Bennet, makes an excellent showing. The premium income during the seven months ending December 31st aggregated nearly \$40,000, and the losses were small. The business has far exceeded the expectations of the managers. The company will, at an early day, open an Eastern department, under the management of a first-class accident underwriter of long experience and well known in the East.

—The report of business done in this State by the Union Mutual Life Insurance Co., of Portland, Maine, came too late for our statement in last issue. The company made a very handsome showing, having issued seventy-nine policies, insuring \$273,500. Jabez Howes, the manager, did not take charge of the agency until May, and though really only eight months' business it was a handsome increase over former years. A telegram from the home office to J. F. Ferris states that "the new issues for January and February are the largest for the past ten years." The increase over 1885 in the Western Department for the past two months was over \$300,000.

—The Alameda branch of the Home Mutual Ins. Co. will shortly remove the office to 912 and 914 Broadway, Oakland, to rooms on the ground floor handsomely fitted up in excellent taste. Messrs. Gordon and Houghton are to be congratulated on their new quarters.

—The Bankers' and Merchants' Mutual Life Association does not pledge itself to pay the face of its certificates. The beneficiary must be content with the proceeds, or his share of the proceeds, of an assessment. If the association has one thousand members, and only five hundred respond to the assessment, the beneficiary will receive only that proportion of the face of his certificate, and the larger the certificate, the smaller the percentage. Wealthy bankers and merchants are the only men who can afford to pay for that sort of "cheap" insurance.

—The Oakland Home Insurance Company had a bad year in 1885. The assets show a falling off of over \$6,000. The expenditures were \$16,726.29 in excess of total income. The losses were 58 per cent. of the premiums, and the expenses of management were astounding. The premium receipts in 1885 were \$148,552, of which the company paid for expenses nearly 54 per cent, making the losses and expenses 112 per cent. of the premiums. The net surplus fell off from \$32,661 in 1884 to \$11,000 in 1885. The present assets are represented to be \$322,093, with liabilities of \$310,831, including capital. The assets include \$48,939.25 outstanding premiums, or about one-third of the premium income. It is to be regretted that this company has taken the back track, but such is the case, and the cause is so apparent that we need hardly mention it. Our remarks relative to the management of the Western, printed elsewhere, will apply in the case of the Oakland Home. Like the Western, the Oakland Home is being choked to death by finance committee management, and unless the stockholders take the bull by the horns, change the policy of the company, and place some insurance man at the head, we shall expect to chronicle its retirement from business at no distant date.

—The Liverpool and London and Globe ranks second in the amount of losses paid in this country last year, and first in the amount of fire risks in force.

—A bill has been introduced in Congress to authorize corporations to become surety in cases within the jurisdiction of Federal courts and departments.

—An agent in a Coast city advertises that he represents the "Fidelity and Casualty Accident Co." We therefore need not be surprised to hear of an agent advertising the National Assurance Insurance Co.

—C. C. Hine, of the *Monitor*, has been selected by the publishers of the American supplement to the Encyclopædia Britannica to write the article on fire insurance. A better selection could not have been made.

—The American joint-stock fire companies reporting to the New York Department received \$60,793,739 in premiums in 1885, and paid \$35,778,607 in losses, a loss ratio of 59.6 per cent. The risks in force are \$7,350,081,343. The expenses were \$22,122,703, or 36.9 per cent. of the premiums. The branches of foreign companies received \$25,391,002 fire premiums, and paid \$15,860,549 losses, or 63.4 per cent. The expenses were \$8,374,849, or 33 per cent. of the premiums.

—The Continental Insurance Company of New York, represented on this Coast by Messrs. Hutchinson & Mann, increased its premium income nearly half a million dollars last year. Since 1877 the assets of the company have advanced yearly from \$3,040,085 to \$5,177,479 on January 1st, 1886. In no year was there a falling off. In the same time the net surplus has advanced from \$844,015 to \$1,358,880. The premiums have advanced in regular strides from \$1,402,810 in 1877 to \$3,159,626 in 1885. We print an itemized statement of the Continental's resources elsewhere. As the company has a million dollars capital, its surplus to policyholders is the mighty sum of \$2,358,879.85. The Continental ranks high among the leading American fire insurance companies, standing fourth in assets, fourth in fire premiums, and third in amount of fire risks in force. The management is eminently able and conservative.

—The Insurance Co. of North America paid more losses than any other American company, or any foreign branch, last year—\$2,569,176.

—The *Ætna* Ins. Co., of Hartford, ranks first in the gross amount of losses paid since organization—\$58,751,343—of all American or branches of foreign companies. It also leads in assets—\$9,260,097—and in surplus to policyholders—\$7,202,320.

—The twenty-first annual meeting of the New Zealand Loan and Mercantile Agency Co. was held in London on February 5th, with a Right Honorable Bart., G. C. S. I., K. C. M. G., M. P. in the chair. The profits during the year were \$328,645. The assets of the company now aggregate \$29,266,695. Hugh Craig, Coast manager of the New Zealand Ins. Co., represents the Loan Agency Co.

—The *Overland* for March has an unusually interesting table of contents. Most of the articles are local in their interest. The Chinese question receives that large share of space which its burning importance entitles it. There are, besides, "Some Problems Relating to the Giant Trees," "A Winter Among the Piutes," "Explorations in the Upper Columbia," "The Lost Journals of a Pioneer," all interesting to Pacific Coast people, and giving to the *Monthly* that local flavor which only will make its success possible and deserving.

—The following table gives the assets for 1884 and 1885 of eighteen American life insurance companies:

	1884.	1885.
<i>Ætna</i> .....	\$29,771,230	\$30,561,262
Brooklyn.....	1,562,160	1,551,396
Connecticut Mutual.....	53,426,712	54,383,650
Equitable.....	58,161,926	66,553,387
Germania.....	10,857,819	11,485,386
Manhattan.....	11,056,053	11,155,827
Metropolitan.....	2,304,003	2,803,976
Mutual Life.....	103,876,178	108,908,968
Mutual Benefit.....	38,607,396	38,846,251
New England.....	17,095,567	17,846,547
New York Life.....	59,283,753	66,864,321
Northwestern Mutual...	22,628,971	24,265,257
Pacific Mutual.....	1,241,237	1,325,886
Travelers.....	7,826,457	8,417,038
Union Central.....	2,266,397	2,731,906
Union Mutual.....	6,322,001	6,119,547
United States.....	5,209,686	5,473,424
Washington.....	7,304,610	7,804,408



—President Chase, of the Hartford Fire Insurance Co., is expected to visit this city in a few days. He will appoint a manager for the Coast.

—The \$200,000 capital of the Southern California Insurance Company has been paid up, as required by law, the last installment being made a few days ago.

—Ed. C. Morrison has resigned the position of general agent of the Oakland Home, and accepted a similar position with the State Investment. Mr. Morrison is an active and capable field man.

—Chas. T. Thompson has brought suit against J. W. Anderson and all other members of the dead co-operative, the Order of Mutual Companions, for \$1.95 each, and costs of suit, upon insurance contracts made by the order with Martha Akin and Zilpha Bowman. We see no reason why the suit should not be successful. In a similar suit brought against the Rochester Associates the New York Supreme Court held the members responsible for all assessments levied on deaths occurring during their membership, and the decision was enforced. The Mutual Companions should not be allowed to shirk their just obligations.

—A full and intelligent understanding of a contract on the part of the insured is an unquestionable desideratum in fire insurance. A very large proportion of fire insurance litigation arises from an imperfect understanding or complete ignorance of the conditions of his policy on the part of the policyholder. This is an evil which should be corrected. Agents should make it a rule to explain to their customers, among other things, that insurance is a contract in which the company agrees to make good the actual loss of the assured, not to exceed the amount mentioned in the policy. It is not intended to be a guarantee to pay a certain stipulated amount unconditionally, and although the property may be totally destroyed, yet the assured is only entitled to his actual loss, regardless of the face of the policy. A thorough understanding of this point would largely put a stop to that great evil—over-insurance, and very greatly decrease litigation.—*Indicator*.

—The office of the Svea Fire has been removed to the basement of the Liverpool & London & Globe building—roomier, better and lighter quarters.

—Col. W. R. Smedberg, city agent of Balfour, Guthrie & Co.'s agency, has been elected Department Commander of the Grand Army of the Republic.

—The American marine companies reporting to the New York Department, received \$6,510,200 in premiums in 1885, and paid \$4,058,894 in losses, a loss ratio of 62.9 per cent.

—Newhall & Co. and Manager Mel now occupy temporary quarters on Halleck street, in the rear of the old office, which is undergoing improvements. The new office, which will be ready for occupancy in about six weeks, will be about the largest insurance office in the city. A vault is being constructed, and other changes for security and convenience will follow.

—The New York Life Insurance Company—second in size in the world—presents its forty-first annual report in our advertising pages this month. The figures are attractive, indeed, dealing with millions—millions of assets, millions of revenue, millions of disbursements, millions of surplus, and millions of insurance. Before you turn to the statement, reader, permit us to point you the more prominent figures, and show you the extent of the growth of this great American life company. The cash assets are now \$66,864,321.32, a gain of \$9,028,323. The divisible surplus, by the company's standard, is \$7,064,473.13. By the standard of  $4\frac{1}{2}$  per cent. the surplus is \$13,225,053.94, a gain of \$3,313,707. The premium income was \$13,517,426.03, a gain of \$1,603,528. The income from interest was \$3,399,069, or about 6 per cent. The insurance in force on January 1, 1886, was \$259,674,500. During 1885 there were 18,566 policies issued, insuring \$68,521,452. The total paid policy-holders during the year was \$7,681,873.75. With figures like the foregoing, and with liberal policies and progressive features, the growth and fame of the New York Life Insurance Company, at home and abroad, need surprise no one. There is magic in them all.

—Behind the age—The editor of the *Insurance Age*.

—On March 1st, the United Friends of the Pacific gave official notice of three assessments. It is believed by some of the members that this will be the last notice they will ever receive, as the society is in a "decline."

—The *Post Magazine* Year Book is a very useful publication to all interested in English insurance matters. It is a work of nearly 200 pages, and is sold for "sixpence." The publisher is T. J. W. Buckley, Wine Office Court, Fleet street, E. C., London.

—Major Frank Wheat, of Dallas, Texas, has been appointed Manager for Texas for the Union Mutual Life Insurance Co. of Portland, Maine. The appointment is the result of the recent visit of J. F. Ferris, Superintendent of Agencies, to that State. Other appointments in the West are Prof. J. G. Hilzinger at El Paso, Texas (for western Texas and New Mexico), and William D. Beam for Idaho. The Union Mutual means business in the West this year.

—The Boylston Mutual Ins. Co., of Boston, Mass., has been admitted to this State, and has appointed Messrs. Newhall & Co. general agents for the Pacific Coast. The Boylston is mutual in name only, and has petitioned the Massachusetts legislature for permission to drop the misleading word. The company began business on January 8, 1873. The cash capital is \$557,200. The assets are \$931,891.12, and the liabilities \$215,081.42, making the surplus to policyholders \$716,809.70, and the net surplus \$215,081.42. The net fire premium receipts last year were \$179,628.48, and the net marine premiums, \$90,956.77—a total of \$270,585.25. Since organization the company has received \$4,734,680 in premiums and disbursed \$2,812,882 in losses. These figures attest the character and standing of the Boylston. For an itemized statement of the resources of the company, the reader is referred to the colored page printed elsewhere. The Newhall agency and Manager Geo. Mel now represent three excellent companies—the National Assurance, the Atlas Assurance and the Boylston.

—Foreign fire companies have over thirty-nine millions of assets invested in the United States.

—Of the one hundred and twenty-six American joint-stock fire companies represented in New York, thirty-seven report an excess of expenditures over income.

—The Colorado Auditor reports that the companies received \$744,974 premiums in his State, and disbursed \$259,462 in losses, or 35 per cent. Several companies represented have not yet filed their statements.

—Legitimate insurance cannot overpass the limit of compensation for actual loss. A contract which promises more than that is, as to the excess, a naked wager, condemned by law and hateful to good morals, and applied to insurance of property liable to destruction by the machination of the assured who would profit by it, offensive to public policy because a temptation to social crime. A valued policy which over-insures is such a contract, and the statute under discussion protects it.—*Tarbox*.

—We print elsewhere the twenty-sixth annual statement of the Equitable Life Assurance Society. The last year's business of the Equitable surpasses anything ever before accomplished, the new insurance written being \$96,011,378. The total outstanding insurance is now \$357,338,246. The premium income was \$13,461,679.22, an increase of \$1,430,349. The total paid policyholders during the year was \$7,138,689.05. The assets on the 1st of January were \$66,553,387.50, an increase of \$8,391,461.96. The total undivided surplus over four per cent. reserve is \$13,862,239.13. Upon a four and one-half per cent. basis (the New York standard) the surplus is \$17,495,329.40. The increase of surplus was \$3,378,622.03. The interest earnings were nearly 5.7 per cent. on the ledger assets. The growth of the Equitable in a quarter of a century, as illustrated by the foregoing figures, is the marvel of life insurance, and the credit must be shared by the liberality of its policies and the driving energy and business sagacity of its management. The society has a world-wide reputation, and is represented in all the principal countries of the earth.

—We are indebted to the *Investigator* of Chicago for a fine insurance chart for 1886. Ten years of Illinois business of companies is given.

—Superintendent Maxwell of the New York Insurance Department, has issued his first annual report, for the year 1885, beating all his predecessors in the date of issue.

—The first fire insurance chart of the season is that of the *Argus* of Chicago. The figures cover ten years of business, and include the statements of all the principal American and foreign companies.

—We print a good many names this month, and it is possible that we have misspelled one of them or got one initial wrong. If the aggrieved party will visit us, and state the error so unfortunately made, we shall take great pleasure in correcting him with our Japanese cane.

—Although we have seen no mention of the controversy or fight in the shoe and leather journals, we infer from recent insurance exchanges that there has been serious trouble among the green hide men of New York and Hartford. Puns like this to order at a bit a dozen—"short bit."

—"Copia verborum," this month.

—O man, before forty-eight hours have passed away, appear at the desk of some of our great Life Insurance institutions, and by the seal of some honest company, decree that your wife and children shall not be subjected to the humiliation of financial struggle in the dark day of your demise.—*De Witt Talmage.*

—The Insurance Company of Dakota has insured the COAST REVIEW "against loss or damage by official lightning and appointment to office to the amount of one calendar year." The Secretary is putting on Ayers. We shall certainly Sioux his company when our claim Falls due. "Funny" chips like this are "free gratis for nothing" to all regular advertisers.

—This advertisement, or a similar one, appears in many Eastern papers:

Loans on life policies (over two years old, *no assessment companies*), and same bought; send stamp. Real estate bought and sold and loans on same. Loans on any good collateral.

A life policy in a regular company is first-class security; a policy in an assessment company is not worth a pinch of snuff.

# ACCIDENT DEPARTMENT

THE PACIFIC MUTUAL LIFE INSURANCE COMPANY

OF CALIFORNIA.

PRINCIPAL OFFICE, 418 California Street,

San Francisco, Cal.

ORGANIZED A. D. 1867.

ASSETS, December 31, 1884 - - - - \$1,263,014 22

The Managers of this corporation beg leave to announce that they have, as contemplated by their articles of association, organized an Accident Department, with

**THOMAS BENNET, Manager, and W. H. DAVIS, Superintendent of Agencies,**

And that hereafter they will, in addition to life business, transact the business of Accident Insurance. Rates the same as those of other standard American accident companies. Policy provisions more liberal and less technical. Are NON-FORFEITABLE and WORLD WIDE.

**INDEMNITY THIRTY WEEKS.**

☞ The patronage of the public is solicited.

Capable and Reliable Agents Wanted.



# **FORTY-FIRST ANNUAL REPORT**

— OF —

# **THE NEW YORK LIFE INSURANCE COMPANY,**

OFFICE, Nos. 346 & 348 BROADWAY, N. Y.

JANUARY 1, 1886.

**Amount of Net Cash Assets, January 1, 1885.....\$57,835,998 45**

## **REVENUE ACCOUNT.**

Premiums.....	\$13,517,426 03
Less deferred premiums Jan. 1, 1885.....	795,323 00—\$12,722,103 03
Interest and rents (including realized gains on securities and real estate sold).....	3,859,577 47
Less interest accrued Jan. 1, 1885.....	460,507 76— 3,399,069 71—\$16,121,173 74

**Total.....\$73,957,171 19**

## **DISBURSEMENT ACCOUNT.**

Losses by death, including reversionary addition to same.....	\$2,999,109 64
Endowments matured and discount d. including reversionary additions to same..	741,764 47
Annuities, dividends and purchased policies.....	3,940,999 64
Total paid Policy-holders.....	\$7,681,873 75
Taxes and re-insurances.....	250,142 32
Commissions, brokerages, agency expenses and physicians' fees.....	2,024,090 50
Office and law expenses, salaries, advertising, printing, &c.....	488,446 62—\$10,444,553 19

**Total.....\$63,512,618 00**

## **ASSETS.**

Cash in bank, on hand and in transit (since received).....	\$2,042,542 00
United States and other bonds and stocks (market value \$36,991,923 88).....	33,640,220 56
Real estate.....	6,855,532 63
Bonds and mortgages, first lien on real estate (buildings thereon insured for \$16,500,000 and the policies assigned to the company as additional collateral security).....	18,159,500 60
Temporary loans (market value, of securities held as collateral, \$594,480 00).....	451 500 00
*Loans on existing policies (the reserve held by the company on these policies amounts to over \$2,000,000).....	416,034 15
*Quarterly and semi-annual premiums on existing policies, due subsequent to January 1, 1886.....	878,161 65
*Premiums on existing policies in course of transmission and collection. (The Reserve on these policies, included in Liabilities, is estimated at \$955,000.....	575,690 50
Agents' balances.....	58,142 73
Accrued interest on investments to Jan. 1, 1886.....	435,284 18—\$63,512,618 00
Market value of securities over cost on company's books.....	3,351,703 32

\*A detailed schedule of these items accompany the usual annual report filed with the Insurance Department of the State of New York.

**CASH ASSETS, January 1, 1886.....\$66,864,321 32**

## **APPROPRIATED AS FOLLOWS:**

Adjusted losses, due subsequent to Jan. 1, 1886.....	\$144,424 00
Reported losses, awaiting proof, &c.....	248,423 12
Matured endowments, due and unpaid (claims not presented).....	41,854 06
Annuities due and unpaid (uncalled for).....	10,595 21
Reserve for re-insurance on existing policies; participating insurance at 4 per cent. Carlisle net premium: non-participating at 5 per ct. Carlisle net premium. 56,200,875 00	
Reserve for contingent liabilities to Tontine Dividend Fund, January, 1, 1885.....	\$2,633,796 70
over and above a 4 per cent reserve on existing policies of that class.....	952,683 31
Addition to the Fund during 1885.....	\$3,586,480 01

## **DEDUCT—**

Returned to Tontine policy-holders during the year on Matured Tontines.....	462,737 24
Balance of Tontine Fund, January 1, 1886.....	3,123,742 77
Reserved for premiums paid in advance.....	29,924 03

**\$59,799,848 19**

Divisible surplus (company's standard).....7,564,473 13  
**Surplus by the New York State Standard at 4½ per cent.....\$13,225,053 94**  
 From the undivided surplus of \$7,064,473 13 the Board of Trustees has declared a Reversionary dividend to participating policies in proportion to their contribution to surplus, available on settlement of next annual premium.

During the year 18,566 policies have been issued, insuring \$68,521,452.

**WM. H. BEERS, President.**

**DR. HENRY TUCK, Vice-President.**

**ALEX. G. HAWES,**

Manager for the Pacific Coast,

220 SANSOME STREET,

SAN FRANCISCO.

# THE COAST REVIEW

A MONTHLY JOURNAL

DEVOTED TO

FIRE, MARINE, LIFE AND ACCIDENT INSURANCE.

J. G. EDWARDS, PROPRIETOR,

320 Sansome St., (Room 14), San Francisco, Cal.

(Take the Elevator.)

VOL. 21.

APRIL, 1886.

No. 4.

## PUBLISHER'S NOTICE.

Terms: \$3.00 per year; single copies, 25 cents; postage added to all foreign subscriptions. February copies to non-subscribers, 50 cents.

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Subscriptions may begin with the January number, if so desired. Unless otherwise ordered, however, subscriptions will begin with the current issue.

Postage, when not sent from this office, is 2 cents per copy.

Correspondence invited. Write on one side of paper only. Be specially careful with names and dates.

Our readers are requested to send us court decisions and newspaper clippings relating to underwriting interests.

Communications, new advertisements and changes in old advertisements should be handed in before the 1st of the month, or as soon after the 1st as possible.

The COAST REVIEW will be mailed about the 8th of the month.

Advertising rates made known on application.

## Losses and Adjustments.

FROM A PAPER BY A. J. WETZLAR, READ AT THE ANNUAL MEETING OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE PACIFIC, FEBRUARY, 1886.

Underwriters themselves are in many instances responsible for too frequent an occurrence of losses, and that for several reasons:

1st. Few agencies on the Coast, and fewer adjusters, keep anything like a properly classified statistical loss record, and those that do hardly ever (if ever) during the year compare it with that of their competitors, so that in no wise (excepting by a one-sided experience) are they intelligently enabled to supervise the classification, acceptance, special survey or rejection of risks, thereby hazarding the interests of their company and that of their competitors, by accepting, frequently, risks which, when based on joint experience, would be classed as "dangerous unless properly protected," and nine times out of ten the result would be likely to show a loss on such hazard during the year. Again, where we have companies who intelligently administer their affairs, and see fit to openly and firmly decline "such dangerous hazard, unless the necessary protec-

tion and changes are made," they are badly handicapped in their business by the action of competitors who are less careful, and Mr. Assured, or oftener his "intelligent (?) broker," will say to Mr. Underwriter, "Well, if you require us to take down that stovepipe, or to fix our furnaces in such a particular way, you need not trouble about making out a policy, for we can get one without all that bother, in the 'Great Humbug Ins. Co. of Smartville,'" or some kindred institution. What is the result? Mr. Agent, who personally knows Mr. Assured or Mr. Broker to have a nice line of business to place besides the risk at offer, is desirous to conciliate the parties and secure their good will for his company, and therefore the desired improvement in the actual hazard is left to a promised amendment and is never after resurveyed or inspected by a properly qualified employee of the company.

2nd. A loss occurs in the city of San Francisco. There are twenty companies interested to a tune of a \$100,000. Amount of loss unknown. The general agents of the various companies meet to discuss the loss and arrange for its speedy adjustment. Prior to this meeting, General Agent "Samuel," or General Agent "Black," desirous of securing for themselves an additional advantage over their colleagues in the loss by the possible prospect of placing the entire line for the assured after the settlement, interview Mr. Assured, pat him on the back and condole with him—in some cases going even so far as to point out possible damage by smoke or STEAM—thereby prejudicing the interests of the insurance companies, and in many cases the work of the adjusters.

Gentlemen, this is all wrong and certainly in bad taste. Were the same class of loss five hundred miles from this city, Messrs. General Agents would hold a meeting and designate a committee of adjusters to settle it, and not interfere or meddle with the loss; whilst here in the city many concerns attempt to make capital out of losses occurring in large mercantile houses. Not only is this the case with regular agents, but in many cases Mr. Broker does his utmost to prejudice the assured against the adjust-

er by even "*daring to counsel*" the assured, as though an adjuster for an insurance company were a highwayman sent by the corporation to defraud the assured out of his honest amount of indemnity.

Gentlemen, I say the companies themselves are at fault in permitting it; in not insisting as dignified corporations should, that no stigma be thrown on their actions by Mr. Broker (who never hesitates to receive his commission from said corporation) being for one instant permitted to counsel the assured, where the company duly appoints and employs an intelligent adjuster to investigate and adjust such loss. Does Mr. Broker pretend to be possessed of half the backbone and honor that the adjuster has, who receives the full responsibility of determining honestly a corporation's liability under its contract of indemnity, and upon whose award the company pays its coin, for no matter what amount? Will the company at home pay it on Mr. Broker's award?

Gentlemen, I say things are at a pretty pass when we ourselves as adjusters will permit such a state of affairs; and I trust that at this session of our association our President will appoint a committee to draft a memorial to the Pacific Insurance Union, asking them to pass a resolution laying an agent or broker liable to a heavy fine if convicted of meddling in the settlement of a loss which has been assigned to an adjuster. This subject has been much harped upon during the year past. My worthy confrère, Mr. Fenn, in his able paper of last year referred to it in concise and expressive language; but nothing has come of it, and the result has been a quantity of exorbitant claims for losses foisted against companies, aided and abetted by the very men who imagine themselves underwriters, and seek to make a living in a profession which could very well afford to be rid of them.

3d. As adjusters, we each and all of us pay too little attention to the cause and origin of fires. A conflagration takes place; one dozen separate occupancies are damaged by fire which originated in one of these occupancies. The proofs of loss of the other eleven sufferers are, in most cases—unless



the origin of the fire was beyond peradventure established prior to their completion—endorsed, "Cause unknown," or "General conflagration, which originated in No.—so-and-so, from causes unknown," etc.

Now, in how many instances does Mr. Adjuster, who has No. so-and-so (where the fire started), devote sufficient time to a thorough investigation as to the origin of the fire? In most cases, as he probably has an apparent total loss, he has so much more work to perform than his confrères—who possibly handled damaged stocks—that in order to complete his adjustment as soon as theirs and not have his company considered slow or behindhand, he, unless he is fire-tried and experienced, drops the most important part to the whole profession, and the result is a bid for rascality. Mr. Claimant, finding himself undetected in his wrongdoings, tries it again at some future time, to the sorry cost of the companies. Would it not be fairer to all interests concerned, in general conflagrations, to have the adjusters representing companies in interest jointly sit as an investigating board, and determine, if possible, the origin of such fires?

4th. A loss occurs on a mercantile stock. The current commission clause has been duly inserted in the policy, and Mr. Claimant, in presenting his loss, lays claim for indemnity on everything in stock, whether his own or consigned to him. Mr. Adjuster, in the investigation of the loss, finds that the assured is in no wise legally responsible to the consignor for the goods destroyed by the fire, yet is met by the assured with the confident production and designation of that commission clause in his policy, to wit: "his own, or held by him in trust or on commission;" and with the additional assertion that whilst he, the claimant, will admit no legal liability exists towards his reimbursing the consignor, yet his actual business interests compel him, in order to continue the handling of the said consignor's goods, that he make good to such consignor the amount of loss sustained, and it was with that very end in view, and for such very purpose that he had inserted said commission clause in his said policy.

Will any of our companies, with such a

clause in their policies, undertake to fight such a claim in court? I am afraid, gentlemen, it would prove a hazardous undertaking before a jury, all decisions bearing on this point to the contrary notwithstanding. I know of a case in point where the assured recovered quite an amount for such consigned goods from the companies, and up to date has failed to reimburse the consignors, who, as I understand, are about to bring suit against said consignee for the recovery of such amount as he recovered. You easily perceive what a door is open for fraudulent claims, and I trust every company will insist upon adding, after the words "on commission," the words "for which he (or they) may be legally liable."

Reverting now to the adjustment of losses, I proudly say that perhaps no profession in the world contains more men of rare ability and business experience, nor has more responsibility attached to it, than that of the adjuster. There is, possibly, no other profession in the world that requires the combined qualifications of an underwriter, attorney, merchant, architect, expert book-keeper, and detective, as ours does, whilst at the same time we are required to be keen judges of human nature, diplomats, quick of perception, quick and firm in our decisions and honest in our judgments. Losing sight of the individual and company, we must calmly proceed with unruffled tempers—no matter how strongly provoked—to dispassionately and as accurately as possible, determine the amount of liability of the insurer and responsibility of the insured, so that the insured shall receive full indemnity under the conditions of the contract, and the insurer shall not contribute more than the equitable proportion for which he would be liable. This at all times requires a careful investigation, and oftentimes the same proves very complicated. Yet I notice with regret that there are many companies who seem to be desirous of avoiding the expense of such investigations, partially through ignorance of the requirements of an adjustment, and in some cases due to the fact that agents here, by their contracts with home offices, in consideration of an increased commission paid to them, have agreed to pay all expenses of agency, including the neces-

sary expense attending the adjustment of losses, and they are therefore desirous of cutting that item down as small as possible, whilst they lose entire sight of the fact that their company's interests suffer through their mistaken and selfish idea of economy.

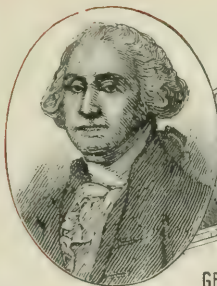
There is not an adjuster here but who has in the year just past been thrown in with clerks and city or local agents in the settlement of losses where several companies were interested, and the results have not only been an increase of labor to the said adjuster, but on several occasions good adjustments were nearly spoiled, and certainly materially affected by the inexperience of one of these clerks, city or local agents. It is true that at one of our association meetings we passed a resolution intended to cover this very point, which would permit an adjuster to withhold his figures on a loss from any but a regular confrère, unless duly paid for his services. Still I declare, gentlemen, that there are but few of us in a position to dare to antagonize any one general agent, and oftentimes, therefore, the adjusters are compelled to good-naturedly grin and bear such imposition. There are none of us but have found that after a careful investigation of a supposed and apparently total loss, handsome salvages have been made for the companies, and the assured has been fully and satisfactorily indemnified, whilst there are none of us but can point with pride to the vast sums of money we have saved our companies through thorough and careful investigation of exorbitant or fraudulent claims. And yet agents and companies will growl at the compensation paid to the adjusters on this Coast, this the most comfortable and hardest department in the United States, and all for what?

Is a professional man of brains to be compensated on the basis of the possible gain or loss of a general agency; or more yet, through poor management of such general agency, and the consequent growl of the home office at the large expense account? Is the adjusters' department the proper one to strike at and strive to reduce their compensation, thereby compelling such men of brains to seek professions where services are duly compensated on the principle of the aborer being worthy of his hire?" Does

an attorney-at-law commonly charge for advice by the day? I think, gentlemen, this is entirely wrong, for the amount of a loss should cut no figure in any adjuster's charges; and yet I have heard agents say where a loss was settled, we'll say for fifty dollars and the expense and per diem bill was \$69, "why goodness, me, the whole loss is only fifty dollars!" thereby proving instantaneously that the fact of the efficient service of the experienced adjuster was entirely lost sight of, though perhaps it was his very efforts that saved the company thousands of dollars by reason of the detection of a fraudulent claim or non-liability under their contract. Again, there are companies who are constantly desirous of making hasty settlements for the sake of making capital against competitors, and this very action does more to throw disrepute and injury on the profession than any other, as it handicaps the competent and careful adjuster in a thorough examination of damages where the loss cases are contiguous.

Reverting now from this proposition to the adjustment under non-concurrent policies, I think our association can justly feel proud of the reputation and success it achieved and the stir it created in Eastern underwriters' circles with its "Kinne" and its "Sexton" rules, either of which are more accurate and fair than the Reading rules, Finn, Albany, English, Continental, or the other five rules so far in existence. Yet I believe that one part of even this intricate proposition is in a fair way of being settled, if as an association we would adopt Z. P. Clark's rule of apportioning a loss between blanket and specific policies, the sole object of his rule being to discountenance the issuance of such blanket policies. He therefore suggests the contribution of the blanket policy at their face, with the specific policy to smallest item of loss so specifically insured, proceeding thence with the residue of the blanket policy to contribute with the specific policy on the next larger item of loss so specifically insured, and so on until the loss, to the extent of the policy on each item, is fully paid, or the blanket policy exhausted.

The several large losses on mercantile stocks in this city last fall, have more



GEO. D. DORNIN  
MANAGER

PACIFIC DEPARTMENT  
215 SANSOME ST.  
SAN FRANCISCO.

WM. SEXTON  
ASST. MANG<sup>r</sup>

## STATEMENT, JANUARY 1st, 1886.

### ASSETS.

Loans on Mortgages .....	\$ 41,500.00
" Collateral .....	53,000.00
Bank Stock .....	468,285.00
City of Boston Bonds .....	135,500.00
United States " .....	168,495.00
Railroad Stocks and Bonds .....	642,735.00
Boston Gas-Light Co. Stock .....	8,000.00
Marine Premium Notes .....	72,946.62
Premiums in course of Collection .....	96,232.64
Cash on hand .....	118,333.90
Other Assets (accrued Interest, &c.) .....	5,245.00
GROSS ASSETS .....	\$1,810,273.16

### LIABILITIES.

Losses reported and supposed. ....	\$107,060.00
Reserve for Re-insurance .....	533,736.04
Incidentals .....	934.10
GROSS LIABILITIES, EXCEPT CAPITAL .....	\$ 641,730.14
Surplus as regards Policy-holders .....	\$1,168,543.02

ISAAC SWEETSER .....	PRESIDENT
FRANK E. SWEETSER .....	VICE-PRESIDENT
A. WILLARD DAMON .....	SECRETARY

## PACIFIC DEPARTMENT,

REPRESENTING THE

*States of California, Oregon, Nevada. The Territories of Washington,  
Idaho, Montana, Wyoming, Utah, Arizona, New Mexico  
and the Hawaiian Kingdom.*

215 Sansome St. San Francisco Cal.

GEO. D. DORNIN,  
Manager.

WM. SEXTON,  
Ass't Manager.





forcibly proven to most of us that, if it should come to a severe damage loss on certain classes of goods, we would undoubtedly be compelled to send East for a competent expert to act as appraiser for our companies, as there seems to be no one on this Coast who is not, perforce of circumstances hand and glove with the few houses engaged in the importation of these certain class of goods. And right here I would suggest that the Secretary of this association be requested to procure a book and keep therein a record of the addresses of various competent experts who have been 'tried in the balance and found not wanting,' and that we make it our duty to furnish the Secretary with the names of such experts, the said book to be open only to the inspection of the members of this association.

I have also noticed a desire, on the part of some agents, to form combinations in the appointment of committees of adjusters for the settlement of several losses, these committees being desired to work for the benefit of all companies concerned, without compensation other than that of the salary they receive from their own company. Upon what hypothesis of reasoning these gentlemen think they are entitled to ask the services of another company's employee or officer without compensating him, I have been unable to decipher. I feel that any company or agency that cannot afford to duly compensate a competent representative had better retire from the insurance field.

There is another point I desire to call this association's attention to, and that is the practice of some adjusters in representing or counseling claimants against other companies. Nothing is more reprehensible to my mind than the effort of arguing on one side of a question for principle one day, and the opposite side of the question and against the very principles upon which insurance rests, the next day; and I trust that the association will promulgate a resolution to the effect that any member convicted of such a charge, after full investigation at a special meeting of this association, shall be expelled from membership.

The dead *English lion* has been kicked by a *jackass Critic*.

### Experiences of a Local Agent.

A PAPER BY BRUCE B. LEE, READ AT THE ANNUAL MEETING OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE PACIFIC, FEBRUARY, 1886.

A year of struggle for premiums—a twelve-month of earnest endeavor to make a profit out of a questionable possibility, has passed. The books have been balanced, and the annual account rendered. The Almighty Father, who "tempers the wind to the shorn lamb," and who ought to have an "all-seeing eye" to the eternal fitness of things, for some strange and unfathomable reason, permits us to live—to individually and collectively move on in the same old rut; to commence another year of fire and trouble upon an ignorant, but not altogether confiding public. The same miserable and dishonest system is still in force. Managers and agents are still bribed by a commission to over-insure and thus corrupt the assured. The waning fortunes of many an ill-managed house will be restored, by a timely fire and a live insurance agent hunting for a fat commission.

The fire waste has been reduced about ten million dollars, which I attribute partly to good luck, and partly to my plain letter to you one year ago. (Subdued applause.) Great strides of progress have been made in every branch of industry—in the arts and sciences—in commerce and trade. But the insurance business has taken but one little step in advance. A noble compact has been formed, its intricate machinery put in motion, and rates have been equalized (the dear public say, raised)—that is all.

One man stands solitary and alone—tired, wearied and worn—the only man in all the insurance profession who has ignored self and labored earnestly and honestly to do the right—to bring order out of chaos. To Alfred Stillman, manager of the Pacific Insurance Union, I can alone say, "Well done, good and faithful."

As to the balance of us, why! Oh why! Divine Ruler of all, do you permit us to live, and wrangle, and backbite, and lie, and stop the wheels of every reform, until we can each figure up what there is in it for our little infinitesimal selves? Why permit

us to sacrifice the grand possibilities of the future for the petty profits of to-day?

If nothing noble or good is to come out of this insurance fraternity, if only confidence men and scalawags are to be bred in the local field—if the fires are still to burn on the altar of over-insurance, and all the corrupting influences of a false system are still to have full sway, I can only pray for some avenging nemesis to wipe us out of existence and proclaim us to posterity a generation of imbeciles. I ask myself, I ask you, why can't we be honest? Why not?

The old, old river, has run smoothly, serenely, on through all the centuries, and it is yet a noble stream; has withstood the jeers and scoffs of every scoundrel who has been permitted to walk in God's bright sunshine since the days of old Adam. And till yet, and for all time to come, will it continue to roll on in quiet grandeur, and in letters of burnished gold, flashing from its bosom the old, old story,

#### HONESTY IS THE BEST POLICY.

And why not? Go back for ages, and carefully study the history, the craft and cunning of every great rascal. Note his brilliant success, and finally his utter defeat, when at the end he comes groveling in poverty and disgrace, to the bar of public opinion. Deep into his soul, letter by letter, is the old adage burned. Syllable by syllable falls from his driveling lips, that grandest of all human epigrams, "*Honesty is the best policy.*"

Look at the history of crime, and our only conclusion is that there is no profit in it. Read the history of embezzlement and breach of trust, and our only summing up is that it don't pay. Reason and wrestle with our everyday practices, our petty deceits, our little subterfuges, our false reasoning, false showings, false colors, and what is it, and why do we do it? Simply to head off the other fellow, and because there is nothing in it, and it don't pay. We lie, and we uphold a liar. When a great business truth is presented to us, we call it a pernicious doctrine, and we labor and flounder and do our best to strangle the thing that does not agree with our little, puny, accepted order of things.

#### WHY NOT BE HONEST?

Why not be men, and give vent to the faith that is in us? Why not act, when we see the right? Here we stand in the ranks of the noblest profession on earth. Insurance is the great financial problem in the world's history. Towering above all the kingdoms, all the governments, built up by progress, culture and education, standing more solid and enduring, the foundation of all commercial enterprise, of all wealth, the great insurance companies are absolutely alone in their greatness.

And what do we do? Drag the profession in the gutter, besmear the name with filth. And why? Because scoffers that we are, we will not remember that honesty is the best policy. Our local agents are not selected with any reference to their ability or opportunity, or freedom from the cares of other pursuits, to make skilled underwriters. "Get business—get business—and his Satanic majesty take the rear rank," is the injunction. Every manager and general agent knows that his local agent ought to be the best business man in every community, thoroughly posted on the moral hazard, and entirely competent to judge of the physical. If he gives each risk careful attention on these two points, the laws of general average will show the measure of his profit.

We all know that specials are born, not made. To be a special embodies all the qualifications requisite for a successful general, a finished organizer, a subtle, far-seeing politician. Wm. C. Ralston would have made a first-class special. He is dead now, and I have no other in mind.

We struggle and fight against the valued policy law. And why? Simply because it is honest. We take the premium for a thousand dollars. Why not square the contract with our practice, and pay the money when the fire comes? If the property is only worth \$750, whose fault is it? The agent who advised the risk, and not the assured. Kick out the agent and get a better one is your remedy.

#### THE LOCALS SOLVED IT.

The local agents put their heads together and solved the problem of "What's the



matter?" in very short order. Too many agents—too much competition. How will you abate the nuisance and remedy the evil? Gradually, and by a system of graded commissions. The first point to ascertain is the value of an agent's services. It can only be arrived at by the amount of premiums. The agent who collects \$1,000 per annum cannot afford to devote much time to the study of insurance; cannot, from the few losses he has, acquire much experience. He is not worth more than 10 per cent. The agent who does a business of \$5,000 per annum is worth 15 per cent., for the simple reason that he must devote a good part of his time to insurance, must learn, must keep up with the times, must be worth the extra pay. The agent with \$10,000 premiums makes his living by insurance. He must devote his whole time to the business, and must become a skilled underwriter; must be correct in all his practices, and efficient in all details, or a vacancy will occur, and his occupation be gone. "But," says a local, "some agents with \$30,000 are careless and unreliable, and cost their companies much money, much anxiety. Some of the largest have proved to be of the least profit. How will you correct that?" By the organization of

#### A LOCAL UNION,

whose object shall be to teach correct practices, maintain a standard of excellence, and assist the compact in enforcing a healthy, honest discipline. "But," says brother Hine of the *Monitor*, "the only weak feature in the plan is that it will enable ten agents to combine business and get double commissions." You dear old "Patriarch," don't the combination have to settle all into one man's hands, in order to enter and pass the compact manager, and get the 20 per cent.? The ten companies will all have to issue their commissions as agent to one man. This one man will have to do all the work, and at the end of a year the other nine agents are lost and forgotten. If this is the only objection, go to the foot, and try again.

This local's proposition went before the Pacific Insurance Union, received a courteous hearing, and the attention of a special

committee for three months. But it did not pass. Too honest, I reckon. The "sole agency" racket would have to be broken; the excepted cities stricken out. Some offices went wild at the idea of a local agent expressing an opinion, or daring to suggest anything having even a remote bearing upon the subject. Go home, you dog, and lick the hand that feeds you. And like good boys, we went. I feel very kindly toward those gentlemen, and so does every sensible local. Experience and the old educated managers will teach them better. Some managers hate certain locals—on account of bitter opposition and a large and ever decreasing premium list—and they will not recognize an organization in which the hated name appears. My dearly beloved, that is just what we seek to rectify. Under the present system, you compel us to *fight hard* for an existence. What we want is peace. We will shake hands and forgive and forget, take you all in, and give you a fair show, a fair share of our business. But if that is too honest, too manly, and at such utter variance with all the fixed laws that govern the business, why, don't shake; don't kiss and make up. The locals can stand it until the companies rise in their might and settle both the general and local agents' hash. Settle which earns most of the commission. There is a big sermon in this little point, but I desist, for I am reminded of the fact that the erudite President of this association delegated me as a special committee of one, to write up

#### THE EXPERIENCES OF A LOCAL AGENT.

It is a cheerful subject, and the grim irony of the request is so palpable that it haunts my sleep and makes night hideous. The stroke of midnight falls upon mine ear, howling winds shake my lowly cot, gloom and desolation is upon the earth. The hour is propitious. Now or never must these deep and damnable secrets of a local's life be revealed.

Managers and specials, attend; and I will to you a "tale unfold," that will make that old dead Dane ashamed of himself.

I open up my diary for 1885, and there I find faithfully recorded and compiled a statement that must and will convince you that

I have made an earnest effort to live up to the present order of things. I find that I have—

Lied about my own companies.....	9 times
Lied about other companies.....	3,100 times
Lied about the managers.....	480 times
Lied about the specials.....	2,310 times
Paid for drinks and charged it to postage account.....	2,107 times
Charged company for horse and buggy and did not use it.....	97 times
Used companies' money to pay butcher bill.....	11 times
Used companies' money to pay grocery bill.....	19 times
Used companies' money to pay other bills.....	197 times
Collected premiums and reported same as not collected.....	403 times
Over-insured risks.....	183 times
Gave other companies risks that I thought would burn.....	43 times
Told the truth about Staples.....	1 time
Told the truth about Sexton.....	2 times
Told the truth about Kinne.....	Nary time
Sincerely regretted it.....	1,112 times
Resolved never to do it again.....	914 times

### Statistics.

EXTRACTS FROM PAPERS READ AT THE ANNUAL MEETING OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE PACIFIC, FEBRUARY, 1886.

FROM E. W. CARPENTER'S PAPER.

By reference to tables prepared by previous committees I find that the annual average rate of premium in California during the last fifteen years has been as follows: 1871, 1.08; 1872, 1.19; 1873, 1.58; 1874, 1.59; 1875, 1.58; 1876, 1.57; 1877, 1.53; 1878, 1.48; 1879, 1.50; 1880, 1.43; 1881, 1.45; 1882, 1.53; 1883, 1.51; 1884, 1.51; 1885, 1.60.

It will be noted that the lowest point reached since 1873 was in 1880, when the rate was 1.43, and since which time the figures have been increasing, until the rate of 1885, 1.60, is the highest which has pertained during a period of fifteen years. This increase is to some extent more apparent than real for the reason that the amount covered by long term policies is greater than heretofore; but even if this were not the case this increase in rate would be more than justified, as we shall see when we compare the amount of losses with the amount

written. Confining ourselves only to the record of the last ten years, we find that during the first half of this period, viz: from 1876 to 1880, the losses were in the proportion of .0004 to the amount written, while during the last half of this period, viz: from 1881 to 1885 inclusive, the losses were in the proportion of .0005 to the amount written, thus showing an increase in losses in proportion to the amount written of 25 per cent. during the last five years, as compared with the preceding five years, so that if rates had been increased in the same proportion as losses, they would now be at nearly 1.80 instead of 1.60. From these figures it would not appear that there is any truth in the statement frequently made, to the effect that the fire hazard is being constantly improved, and that a reduction in rates should consequently follow.

My figures would also seem to show that there is no foundation in truth to the statement sometimes made, to the effect that the Pacific Union ratings have resulted in a general reduction of the rate obtained, although here again the premiums on long term business present themselves as an unknown quantity, rendering accuracy impossible.

FROM H. K. BELDEN'S PAPER.

What general statistics have we of a practical nature, to which reference can be made to assist and guide us in conducting the business on this Coast? While the usual reports are of interest, they are of the nature of comparative statements, showing the distribution of business as between the various classes of companies mentioned. They show the general result of income and losses of California, but apart from this State, the entire Coast is lumped into one statement. As the results differ greatly in the respective States and Territories, it would be a step gained to make a report of the premium and loss accounts of each of same, but as no such record is kept except by a very few companies, it is impossible to present a report of this character.

Should such a segregation be made by all companies, an advance in rates could be made in States and Territories where a continued excess of losses over premiums re-

ceived occurred. To make an advance of rates on *all classes* would certainly appear an injustice, but no other method is possible, as, under the present system, it cannot be ascertained what particular classes of risks have occasioned disastrous results. The only method that suggests itself is that of keeping uniform classifications. But few companies keep classifications, and I think none keep sectional statistics of this nature. The question might be asked: why is any segregation of the field necessary?

In answer, reference need only be made to the usual argument, which sets forth the advantage of the peculiar character of our redwood in California. This, in connection with the moderate climate, permanently established cities and towns, with their water supply and fire departments, makes this State distinctive. The general features of Oregon and Washington Territory differ from those of California. The moisture of their climate exerts a favorable influence, while the material of which their buildings are constructed, being mostly of pine, increases the hazard over that of redwood. The fluctuating tendency of their towns, owing to the development of railroads, increases the moral hazard of that section. Idaho and Montana are distinctive on account of the severity of their winters and the acknowledged hazard characteristic of mining sections. These features apply also to Nevada. Other points might be mentioned regarding Utah, Arizona and Colorado, but enough has been said to prove the necessity of keeping separate statistics.

The varied hazards of a new and fast developing territory would suggest that a tariff applied to this field, based upon Eastern calculations, is not applicable. Notwithstanding the oft repeated assertion, made by all, that the influences governing the business of this Coast radically differ from those of the East, no attempt has been made to obtain data of its business whereby a test might be made of the tariff under which we are working. The rates which have prevailed for the past ten or twelve years prior to the organization of the Pacific Union, and which, outside of the principal towns, will doubtless continue to be used, were

compiled from the classifications of some two or three companies whose business was the most extensive, and whose agencies were the earliest established, but Eastern rates entered largely into the calculations made.

It is doubtful whether the experience of a few companies and the rates governing the business of the Eastern States are a sufficient basis upon which to establish a tariff to apply to the business of 100 or more companies in a territory differing so materially from the Eastern field.

If a recapitulation could be made annually of the business of all companies concerned, in the course of a few years it would determine whether the various rates charged were adequate, and also demonstrate annually upon what classes of hazards losses had been sustained, and in what sections. Would not such statistics be of sufficient value to compensate each company for the additional labor and slight expense necessary in the keeping of these records? There has been no period in the history of underwriting on this coast when a uniform classification of risks could be so advantageously introduced as at the present time, now that all companies are subject to a uniform tariff.

A very able paper on classifications was written last year by our Mr. Geo. W. Dornin, and it was heartily endorsed by many members, but received no general adoption. If the methods explained in that paper should be given further consideration, and a committee appointed to draft a memorandum of hazards which, upon approval, if adopted by all companies, would furnish your future committees on statistics with material to present reports which would be of increased value and practical use.

Commissioner Tarbox says: My observation is that the companies, conscious of their disadvantage in litigation, and sensitive to the popular prejudice, injurious to their patronage, which such controversies are likely to excite, submit to claims they might in good faith and ought in justice to themselves and the public, to resist. From self-interest, if no worthier impulse, as a rule with extremely rare exceptions, they liberally perform their obligations.



### How to Advertise.

FROM A PAPER BY CALVERT MEADE, READ AT THE ANNUAL MEETING OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE PACIFIC, FEBRUARY, 1886.

My subject, "How to Advertise," has been announced on the programme, and you have come together to learn from the delving of my brain how to take advantage of me and my neighbors, but you won't do it. Advertising came into vogue long before the advent of newspapers or calendars. To an antiquarian there is a pleasure in going back to the inception of a business and finding out how it started or originated, and of elaborating the same as much as time and space allow. I know you will agree with me when I state that one line of our business dates back many years, but whether you will agree with me in thinking it dates back to the commencement of the world, there is room for doubt.

Adam and Eve lived in blissful ignorance (but not in a residence rated by the compact) for a long time, until a *solicitor* came along and advertised the lusciousness of a certain brand of fruit. He sold his wares, as we all know, and I have no doubt thought he did a good stroke of business in supplying the whole world. He had a monopoly such as Col. Sellers sighed for. And from that commencement other lines of business sprang into existence—that of a dressmaker ranks next, for we have authority for stating that Eve wore a fig leaf, but no bustle; and from that time on the monopoly was broken, for business multiplied.

While the business of a solicitor came into vogue many centuries ago, and shows the nobleness and antiquity of the line, yet it did not come into conjunction with underwriting till a later date.

The vocation of a *solicitor*, as I have mentioned, is of great antiquity, and yet some of them think they know as much about insurance in two weeks' trotting around as if they had been two centuries underwriting.

The *special* advertises the business in many ways. Every club he belongs to, every lodge he joins, every restaurant he

patronizes, hears of his company. Every cigar he smokes, and every drink he takes helps it out. The drinks don't always help him out, though, if he advertises the company too much in liquid form. In fact, the bane of insurance is liquid. We have to pay the fire department for putting water in, and the patrol for keeping it out, and I don't wonder the insurance fraternity are cursed for such folly.

One advantage of telling people about insurance in advertisements is that you can make a good impression at small expense. It don't cost much to add a few figures more or less. If its capital is \$10,000,000 and assets \$10,000,000 we can always add a couple of extra figures to represent the *cents*, which look well in type and adds correspondingly to the standing of the company.

If it were not for advertising half the dear public would not know who the representatives of a company were, which would be sad, and would lower their dignity in their own eyes, while by rushing into print they obtain cheap notoriety.

Both legitimate and illegitimate companies desire to keep themselves before the public *except at one time of the year*, and that is when the Legislature meets. When that event occurs—which is worse than an ordinary fire, for it hits us *all*—the companies wish they were not even organized or ever existed. Then we have to draw on Dornin, Bromwell, Storey, et al., for arguments to kill the cinch bills, and draw checks to prevent them going through. That is a bad time of the year to advertise. The bigger the figures of assets the bigger the check.

Whoever originated the idea of not hiding your light under a bushel must have had some glimmering thoughts of insurance, for it's a dangerous practice to hide lights under anything, especially bushels of anything. There is a danger of fire. The only light thing that ought to be hidden is premiums, and those should be hidden under big figures.

If any insurance company wishes to get *high up* in the list of companies, it must advertise big. As an example of how it works,

I cite an instance you all remember. The biggest advertised company that ever existed on this Coast was old Mooney's Builders' Insurance Company, and it went up higher than any ever organized anywhere; created a big sensation and no vacuum, eclipsing even Gilderoy's kite.

The benefits of advertising are comparative. Advertising is *good* for the companies; *better* for the advertising solicitor, and *best* for the proprietors of insurance journals.

Although not particularly well endorsed or desirable, the plan of advertising by a *big* fire is not a bad one—that is, if the company is strong enough to stand it. A *big* fire in a *big* city is a *big* “ad,” for a *big* company. Did not the Chicago and Boston fireworks prove good cards to those companies who came out scorched but alive?—and it did not matter to them that the old Pacific and a host of others failed to advertise themselves in the same way, or whether they paid dollar for dollar, or gave a small portion in cash and a much larger portion in notes.

The company that understands this important governing principle, which realizes the necessities of the times and seeks to satisfy them; which systematically and wisely makes the people understand that good sound principles of underwriting, and no other, will be heeded; that means business, and is thoroughly alive to all that is going on, other things being equal, is the one which makes a financial triumph, and whose efforts are crowned with the bank account of success.

“The Three Systems of Life Insurance” is the title of a work just from the press, by Mervin Tabor. The three systems are termed the “level premium,” the “natural premium” and the “assessment.” One-half the book is devoted to the assessment system and the advertising of three or four prominent hat-passers, and includes some of the flapdoodle of the proceedings of the annual convention of the co-operative associations. Aside from this ugly defect, the work is a useful one, especially to beginners in the work and study of life underwriting. Price \$2.00. Published by the Bureau of Life Insurance Information, 115 Dearborn street, Chicago, Illinois.

## Digest of Recent Insurance Decisions.

### FIRE.

**DEFAULT—FORFEITURE—***Blackerby v. Continental Ins. Co.; Ky. C. A.*—Both the policy and the premium note of the insured were silent as to where and to whom the premiums were to be paid, but the local agent taking the risk told the insured that he would be notified how and to whom to make the payments, and that he must not make them in any other way. The obligation of the insured was to pay by mail if requested. He was never notified to whom to make payments, and was in default when the property burned. *Held*, That under all the circumstances the insured had the right to believe that the agent had authority to instruct him as to the manner of paying the premiums, and that the company, by its course of business and conduct having produced such a belief, could not be allowed to claim a forfeiture of the policy because the insured had acted upon it.

**GUNPOWDER “AN ARTICLE USUALLY KEPT IN A COUNTRY STORE”—***INDORSEMENT.—American Fire Ins. Co. (Phila.) v. Nugent, Ky. Sr. C., March 3, 1886.*—A policy of insurance upon a stock of dry goods, etc., “and such other articles as are usually kept in a country store,” was held not avoided by the keeping of gunpowder and coal oil, although a printed condition in the policy prohibited the keeping of these articles, unless the consent of the company should be indorsed on the policy, it appearing from the proof that gunpowder and coal oil were “such articles as are usually kept in a country store.” The agent who took the policy in this case testified that he knew gunpowder and coal oil were generally kept in country stores, and that if his attention had been called to the matter at the time he issued the policy, he would have indorsed thereon the privilege of keeping them. *Held*, That under the circumstances the company was as much bound as if the permission intended to be given by the agent had been indorsed on the policy.

**CHANGE IN TITLE OR POSSESSION—***ADMISSION OF PARTNER.—London Assurance Cor-*

poration *v. Drennen, Starr & Everett*; U. S. S. C., Jan. 18, 1886.—This familiar case has been discussed in this journal. The lower courts all decided against the companies, and the case was finally taken to the U. S. Supreme Court. The defense rested solely upon the claim that, prior to the loss, one Arndt was admitted as a partner in the firm of plaintiffs. The partnership was denied. There was an agreement, however, that he should be received into the business of the firm, and that a new company should be formed, but that no change should take place in the name or character of the firm "until said corporation shall be formed." *Held*, That a mere compliance with the preliminary conditions by putting in money which was mingled with the capital stock and subject to all its contingencies, even though the party so complying shared in the profits, where the corporation had not been formed, and no actual transfer of title to the property insured had taken place, was not a change of title or possession within the policy.

KEEPING BURNING FLUIDS WITHOUT WRITTEN PERMISSION.—*Liverpool & London & Globe Ins. Co. v. Gunther*; U. S. S. C., Dec. 21, 1885.—Policy on a hotel provided that the assured should not keep any burning fluid without written permission; that no inflammable fluid should be stored, used or kept on the premises, temporarily or permanently, without written permission, kerosene or other carbon oil for lights excepted, if drawn and lamps filled by daylight. *Held*, That a violation of the conditions by anyone permitted by the insured to occupy the premises, is a violation by the insured. *Held*, That an endorsement of privilege to use gasoline gas, etc., with a generator sixty feet from building, did not sanction the keeping of gasoline except as needed for actual use in the apparatus, and the further keeping of same was not authorized when apparatus was no longer in use.

WAIVER.—*Cornett v. Phoenix Ins. Co.*; Iowa S. C., Dec. 8, 1885.—The policy insured a house against fire or lightning. The insured notified the agent of the loss, but declined to state the cause, claiming that

the agent who procured the insurance had assured him that the policy would cover a loss from any cause. *Held*, That a reply by the agent that the policy insured only against fire and lightning, and that the company was not liable, was not a waiver of proofs. *Held*, That a refusal of the adjuster to examine the loss on the ground that it was not caused by lightning when no claim to the contrary had been made, was no waiver of proofs. In the absence of such waiver, suits must be brought within the time specified in the policy.

AGENT OF INSURED NOT TO BE NOTIFIED OF CANCELLATION.—*Von Wein v. Scottish Union & National Ins. Co.*; N. Y. S. C., Dec. 7, 1885.—The agent of the insured for the purpose of procuring insurance is not from that fact his agent to receive notice of cancellation. The case is not affected by a clause that the insurance broker shall be deemed the agent of the insured in any transaction relating to the insurance, for notice of cancellation does not relate to the insurance.

CREDIT FOR PREMIUM.—*Ibid.*—The delivery of the policy without payment of the premium raises a presumption that credit was intended, but in such case offer to return a premium is unnecessary.

OWNER IN FEE.—*Beechland, Grange v. Phoenix Ins. Co.*; Louisville S. C., March 12, 1886.—In answer to a question in an application, "What is your title to said land?" the agent wrote the word "fee" as the equivalent of the answer given by the applicant, who stated the exact facts, which showed that his estate was a determinable fee and not an unconditional fee. *Held*, That, while it may be conceded that the word "fee" means the same as fee simple and excludes all limitations, there was no more than technical inaccuracy in the agent himself, which ought not to affect the assured. *Held*, That where a fire insurance company issues a policy with knowledge that the insured is not the sole and unconditional owner in fee of the property, it is precluded from relying on a warranty in the policy that he is the owner in fee.



**GROUND NOT OWNED IN FEE SIMPLE.**—*Broadwater v. Lion Fire Ins. Co.; Minn. S. C.*—The policy contained this provision: "This policy shall become void unless consent in writing is indorsed by the company hereon in each of the following instances, viz: If any buildings intended to be insured stand on ground not owned in fee simple by the insured." The buildings in this instance stood upon ground owned by the United States. The policy purported to insure the buildings (which were plaintiffs' property) by a description, as follows: "Their (plaintiffs') buildings occupied as a store, warehouse, officers' and soldiers' club, sleeping-rooms and rooms for opening goods, at Fort Maginnis, Meagher Co., Mont.," with other words of the same import as to the uses to which the buildings were put. This description was contained in a printed slip, signed by defendant's agents, and attached to the policy as part of it, and taking the place of what is ordinarily known as "the part" of a policy. *Held*, That the description was sufficient to inform the defendant and its agents, by whom the slip was signed and the policy issued; that the buildings insured were situated at a United States military post or fort; that they were occupied and used by a post trader at that place, and that, therefore, the plaintiff could not, in any ordinary course of things, own the land on which they were situated, but that the same was the property of the United States. *Held*, That the provision as to making the policy void in case the ground is not owned by the insured, may properly be treated as repugnant to the real contract of the parties, and of no effect or as controlled by the description in the slip.

#### MARINE.

**SALVAGE EXPENSES.**—*Houlder Bros. v. Merchants Marine Ins. Co.; Eng. S. C. J.*, Dec. 21, 1835.—A cargo of rails were to be discharged from one vessel to another by means of barges. When the barges got into the docks it was found necessary to delay the reloading. During the night a storm arose, and one barge and 150 tons of rails went to the bottom. Suit was brought against defendant company for cost of re-

covering the rails. Payment was resisted on two grounds: first, because the voyage insured against had ended when the rails were delivered on plaintiff's barges; second, if the voyage were not so ended, the defendant was relieved from liability under the policy, because the deviation in the transshipment operations was unreasonable and not so incidental a risk as was contemplated and covered by the policy. *Held*, That under the terms of the policy the risk did not cease until the goods were safely landed. *Held*, That as three days was the usual and customary limit for discharging lighters, and plaintiffs had exceeded that limit, there was unreasonable delay, and the defendant was discharged from all liability under the policy. Plaintiffs had ample time to unload their rails on the wharf, but left them on the barge, which not only deviated the risk, but greatly aggravated it.

#### ASSESSMENT.

**LEGAL RIGHT OF A CO-OPERATIVE MEMBER.**—*Order of Chosen Friends v. Garrigus; Ind. S. C.*—A member of the Order of Chosen Friends may appeal to a court of law to enforce his rights, even without first exhausting his remedies in the courts of the order, and this right cannot be taken away from him by any provision of the constitution and by-laws of the order.

**MEANING OF THE WORD "ACCIDENT".**—*Ibid.*—The word "accident," as used in the relief fund laws of the Order of Chosen Friends, means simply an event that takes place without one's foresight or expectation; and one may be injured in a common-law affray and yet be entitled to recover thereunder as for an injury by accident, provided that it does not appear that he is in fault.

#### LIFE.

**FORFEITURE—FAILURE TO PAY PREMIUM.**—*Rosehannah Smith v. Manhattan Life Ins. Co.; O. S. C.*, March, 1886.—Where, by the terms of a contract of life insurance the beneficiary named in the policy is entitled to participate in the profits, a portion of which, in the form of dividends, is to be applied each year in reduction of

premiums, and it has been the uniform practice of the company to give timely notice of the amount of dividends, and of the balance to be paid in cash, and the company neglects to give such notice, having knowledge of the residence of the beneficiary, and by reason thereof a premium is not paid at the time specified in the policy, the company can not set up such failure to pay as a defense to a recovery upon the policy, although by its terms the same is to be forfeited in case of failure to pay a premium upon any of the dates stipulated therein.

**INSURED AS AGENT FOR BENEFICIARY.—***Ibid.*—Where the company has uniformly sent the notices to the insured (the husband of the beneficiary) and he has made payment of premiums from year to year, the law will treat him, in making such payments, as agent for the wife; but where it is shown to the company by letters from the husband, very shortly after notice sent, that he and the wife have separated, she having commenced a proceeding for alimony against him, and that he is desirous of having the policy changed and made payable to his estate, the company is not justified in treating him as her agent, for the purpose either of receiving notice for her or of making a surrender of the policy. And, in such case, an attempt by the husband, without knowledge of the wife, to surrender the policy to the company is inoperative, and the rights of the wife are not thereby impaired.

**FAILURE TO TENDER PREMIUM.—**Where the company repudiates the contract, and by its course of conduct clearly indicates that a tender of the premium after the death of the insured, if made, would not be accepted, a failure to make such tender will not bar a recovery on the policy.

**RECOVERY OF PREMIUM PAID ON A CANCELLED POLICY.—***Conn. Mutual Life Ins. Co. v. Pyle, Ohio S. C.*—The company issued the policy, but on learning that P had not made a correct answer to one of the questions in the application, though it was not a material question and the answer inno-

cently made, it cancelled it. P then demanded the return of the premium he had paid, which was refused to him on the ground that before the policy was cancelled the company took the risk of his death, and had earned the premium, in part at least, and that as there was no obligation on its part to apportion the premium the plaintiff could not recover. To this defense P replied: "You have cancelled my policy because of misrepresentation on my part, which, you say, vitiates it, and you cannot hold the consideration I paid you."

**Held:** 1. The application and the policy together form the contract, and as the policy provided that the answers, statements, representations and declarations in the application made a part of the contract, and avoided it if any of them were untrue, any untrue statement rendered the policy null and void. 2. But the company claims that it can hold the premium paid because, as it alleges, the policy took effect and was in force until it was cancelled. To sustain this claim would be to ignore the expressed terms of both the application and the policy, which the company has never waived, but has always insisted upon; and, in fact, it has acted upon the strict letter of the agreement, and has cancelled the policy. The court has found that the untrue statement of the plaintiff was innocently made, and that he should recover the premium paid. We are of the same opinion. The rule is this: Where the risk has not been run, whether its not having been run was owing to the fault, pleasure or will of the insured, or to any other cause, the premium shall be returned. For a policy of insurance is a contract of indemnity. The underwriter receives a premium for running the risk of indemnifying the insured, and whatever cause it be owing to, if he does not take the risk, the consideration for which the money or premium was put into his hands fails, and therefore he ought to return it.

**TONTINE—FORFEITURE—SEPARATE KEEPING OF FUND.—***Bogardus v. N. Y. Life Ins. Co.; N. Y. C. A., January, 1836.—Ins. Law Journal, March.*—A provision requiring the premiums to be promptly paid under

condition of forfeiture is lawful, and without the allegation of performance or its equivalent no good cause of action will exist against the company. The alleged non-performance of certain independent conditions by the company, is not equivalent to an alleged performance by the insured or an excuse for non-performance, except when such non-performance by the company is a condition precedent, or when it wholly refuses, or is disabled from performing. Alleged neglect on the part of the company to keep separate and intact funds which were subsequently to be returned in dividends according to a stipulation in the policy, is no excuse for a refusal to pay the stipulated premiums. A Tontine fund, from its very nature, cannot be separately kept and invested, in respect to the interests of each individual member. It is enough that the respective rights and interests of the members are kept account of, and separation of the funds is not essential to this end. The insured is only entitled to an accounting at the end of the Tontine period. Alleged representations prior to the issue of the policy and not of the nature of a warranty or of a valid contract will not excuse non-payment of premium.

### Fire and Marine Business in the United States.

The 126-American joint-stock fire insurance companies reporting to the New York Insurance Department received \$60,793,738 in premiums, and paid \$35,778,606 in losses during 1885. This was a loss ratio of 58.9 per cent. The 23 branches of foreign companies received \$25,391,003 in premiums, and paid \$15,860,549 in losses—a loss ratio of 62.4 per cent. Adding the figures of the two classes together we have the following: Premiums, \$86,184,741; losses, \$51,639,155; loss ratio, 60 per cent. These figures embrace about 90 per cent. of the entire joint-stock business of the United States.

The risks written by the 149 companies during 1885 aggregated the enormous sum of \$10,586,175,402. The combined assets are \$185,315,352, of which \$39,096,532, or over 21 per cent., is held by the foreign branches. The combined liabilities, capital

excepted, is \$73,587,186. This leaves a surplus of \$111,723,166 as regards policyholders. The capital of the 126 American companies is \$54,915,020. The dividends paid on this capital were \$6,029,941, or an average of 10.9 per cent. The total income of all the companies, domestic and foreign, was \$93,859,145, and the total expenditures were \$88,166,650, leaving a net balance of \$5,692,495, as the result of the year's transactions.

For commissions and brokerages the New York companies paid \$5,320,689, or 18.9 per cent. of the premiums; the other American companies paid \$5,570,304, or 17.1 per cent. of the premiums; the foreign companies paid \$4,534,516, or 17.8 per cent. The total paid for commissions and brokerages was \$15,425,509, or 17.9 per cent. This figure may be accepted as the average commission paid in the United States. The average ratios of expense of management to premiums were 33.9 for New York companies, 34.2 for other-State companies, and 33 for foreign companies. The aggregate expenses of the three classes were \$30,497,552, or 35.46 per cent. of the aggregate premium income.

Nineteen marine insurance companies report to the New York Department, of which eleven are American. The total premium receipts last year were \$8,647,916, of which \$1,625,935 was received by the foreign companies. The losses aggregated \$5,116,523, or 59.2 per cent. The total income was \$9,809,160, and the total outgo \$7,804,417, leaving a net balance of \$2,004,743. The ratios of expenses to premiums were: New York companies, 16.9; other-State companies, 25.9; foreign companies, 18. The expenditures of the other-State marine companies exceeded the income. The gross cash income of all companies, fire and marine, foreign and domestic, joint-stock and mutual, was \$104,662,496, and the gross cash outgo was \$96,671,197. The premiums aggregated \$95,758,345, and the losses \$57,175,066, or 59.7 per cent. The expenses were \$32,445,545, or 33.9 per cent. of the premiums and 31 per cent. of the total income. The dividends aggregated \$7,050,536, or 12.32 per cent. of the combined capital stock.



The following table gives the business and resources of all joint-stock fire companies reporting to the New York Department, including the foreign branches, for 1884 and 1885. The reader can note at a glance the progress made in a twelve-month.

COMPARATIVE TABLE OF ALL FIRE COMPANIES.

	1884.	1885.
No. of companies.....	145	149
Assets.....	\$176,882,192	\$185,415,352
Liabilities (exc't cap'tl)	70,612,659	73,587,186
Capital*.....	58,815,020	59,515,020
Surplus.....	47,454,513	51,643,822
Premiums.....	82,877,936	86,184,741
Income.....	90,555,420	93,859,145
Losses.....	52,055,642	51,639,155
Expenditures.....	87,126,683	88,166,650
Risks in force.....	9,802,114,138	10,586,175,402

\* Including deposit-capital of foreign companies.

Following is a table of all foreign and domestic joint-stock marine companies, giving the aggregate condition and business, as reported to the Department, for 1884 and 1885:

COMPARATIVE TABLE OF ALL MARINE COMPANIES.

	1884.	1885.
No. of companies.....	18	19
Assets.....	\$24,135,845	\$25,534,888
Liab'ts exc'pt scrip & cap'tl.	6,775,128	6,317,149
Scrip and capital.....	12,684,578	13,861,192
Surplus.....	4,676,140	5,364,192
Premiums.....	9,278,528	8,647,916
Income.....	10,297,231	9,809,160
Losses.....	5,829,473	5,116,528
Expenditures.....	8,201,010	7,804,417
Risks in force.....	226,652,652	234,397,119

### New Hampshire Losses.

The *Call*, of this city, says that since the insurance companies withdrew from New Hampshire, the fire loss has decreased sixty per cent. This decrease our wise contemporary attributes to the greater care of property-holders and to the decrease of incendiarianism. If it were true that dispensing with insurance results in a sixty per cent. reduction in the fire loss, it would be an excellent argument for a law abolishing fire insurance. But the *Call* is in error. Its authority is doubtless the wild guess of some Eastern journal. In the first place, although the companies withdrew from New Hampshire, the people are not yet without insurance. Before the law went into effect, most of the property in the

State was insured for long terms, in anticipation of the withdrawal of the companies. In the second place, there has been no reduction in the fire loss. So far this year, the average loss has been greater than formerly. When most of the insurance contracts expire, it will be time to observe the effects of going without insurance. That it will reduce the fire loss somewhat, by forcing people to be painfully careful, and by removing a great temptation to incendiarianism, everybody will admit, but if the reduction were sixty per cent, State Governors might well summon Legislatures in extra session to pass laws prohibiting the insurance of property.

### Junior Specials.

LOS ANGELES, CAL., March 20, 1886.

EDITOR COAST REVIEW:—I would like to have a little "light." What is the object of having "specials?" Until recently I had the impression that they were employed to secure good agents, to inspect risks and to adjust losses. I had also thought that age, experience, and a knowledge of insurance matters were requisite qualifications for the position of special. But I find I have been mistaken. Judging by the number of "snips" just out of their teens who are now on the road representing important companies, I am forced to the conclusion that "specials" are employed, not because they are necessary, but to furnish comfortable berths to the pop-in-jay junior relatives of general agents and stockholders. No other inference is possible, because it cannot be seriously argued that there is any economy in employing the striplings referred to. Think of an experienced local agent of 50 years introducing to a patron a boy of 20 as the expert who is to pass judgment on the risk! What will the assured think? Why, simply this: that specialism is nothing more or less than a humbug. Far better to provide the boy at headquarters with a sinecure position, so that his parents may have an opportunity of spanking him when naughty, and of making him keep his nose clean!

Occasionally an old head is found on young shoulders, but not often. The trav-



**STATEMENT OF CONDITION, JANUARY 1, 1886.**

Capital Stock, Paid up in Cash .....	\$1,000,000.00
Reserve for Re-Insurance .....	357,396.02
Outstanding Losses and all other Liabilities.....	63,663.04
Net Surplus .....	130,894.62
<b>TOTAL CASH ASSETS .....</b>	<b>\$1,551,953.68</b>

*ASSETS.*

Bank Stocks .....	\$ 370 358 00
Railroad Stocks .....	146,117 00
Railroad Bonds .....	188 590.00
City and Town Bonds.....	298,363.66
Cash on hand and in Banks .....	92 220.46
Premiums in course of Collection .....	75,359.76
Real Estate owned by Company.....	37,115.27
Interest accrued.....	19,742 86
Loans on Mortgages.....	243,026.67
Loans on Stocks and Bonds .....	81,060.00
<b>TOTAL ASSETS.....</b>	<b>\$1,551,953.68</b>

JOHN W. BROOKS .....PRESIDENT  
GEO. B. BODWELL .....SECRETARY

**PACIFIC DEPARTMENT,**

REPRESENTING THE

*States of California, Oregon, Nevada. The Territories of Washington,  
Idaho, Utah, Arizona, New Mexico and the Hawaiian Islands.*

215 Sansome St

San Francisco. Cal.

**GEO. D. DORNIN,**  
Manager.

**WM. SEXTON,**  
Asst. Manager.





eling expenses of a boy are just as much as of a man, while the employment of the former has a tendency to bring the profession of "special" into contempt. If the companies can't afford to employ as supervisors of agencies men of intelligence, insurance knowledge and experience, who can impart information to locals when needed, and who will command the respect of the latter as well as of the assured, better abolish the "special" entirely. Unless the present tendency of employing dudelings be checked, we will soon have as specials an army of "infants in arms" accompanied by demure nurses.

LOS ANGELES.

### Insurance Invalidated by False Returns to the License Collector.

A law of Mississippi imposes a privilege tax on merchandise, the amount of the tax being determined by the sworn value of the stock as returned by the owners. Section 589 of the Code declares that any person who shall keep a store, etc., without first procuring license, shall be fined or imprisoned, and all contracts made with him in reference to the business thus carried on in violation of the law shall be void, and no suit shall be maintainable in favor of such person on such contract. In the case of *Pollard v. The Phoenix Ins. Co. of Hartford*, the Supreme Court of Mississippi repudiated the distinction between not obtaining a license and obtaining an insufficient one, and held that a policy of insurance on a store is a contract "in reference to the business." A verdict was therefore rendered in favor of the defendant company, as the amount of plaintiff's insurance convicted him of paying an insufficient license. The effect of this decision will doubtless be felt by the tax-gatherer at once, as at present there are few valid policies on merchandise in the State. The only possible escape from the penalty of a void contract of insurance is to make the amount of the latter equal or less than the amount upon which a license is returned. It is possible but not probable that some merchants will prefer to carry less insurance rather than pay more license.

The Mississippi Legislature has just passed a bill for the relief of the men affected by this decision, giving them time in which to pay the additional license fee without prejudice to their insurance and other contracts.

### The Phenix Insurance Company of Brooklyn.

In transacting the largest fire business, last year, in the United States, the Phenix of Brooklyn presented most convincing evidence of its high rank among leading fire insurance companies. The growth of this company is one of the marvels of underwriting, for it has advanced from a \$200,000 company in 1853 to within a fraction of \$5,000,000 on December 31, 1885. During the past five years the progress of the company has been notably uniform and surprisingly rapid, as the following figures illustrate:

Year.	Gross Assets.	Premiums.	Net Surplus.
Dec. 31, 1881....	2,826,875	2,069,033	511,607
" 1882....	3,295,327	2,496,610	644,475
" 1883....	3,759,035	3,112,577	686,160
" 1884....	4,342,430	4,300,410	640,991
" 1885....	4,910,483	4,883,962	714,167

During 1885 there was a gain of \$568,053 in assets, a gain of \$73,176 in net surplus, after increasing the reinsurance reserve \$454,063, and a gain of \$583,552 in the premium income. By the way, the premium income (\$4,883,962) of the Phenix in 1885 was not equalled by any American company or any branch of a foreign company, and was exceeded by only four or five foreign companies operating over all the civilized world. The position of the Phenix in this respect is therefore unique and perhaps unprecedented among American companies. We may properly add that although transacting so enormous a business, the loss ratio of the company last year was comparatively moderate and lower than the average. The extraordinary growth and prosperity of the company indicate not only ability of management, but popularity with the public.

In the Pacific Coast field, where the company is represented by Brown, Craig Co., the Phenix does a large and prosperous

business. The premium income derived from the California business was \$154,974, and for the Coast, \$205,481. The loss ratios for the State and Coast were the same—44.5 per cent.

### The State Insurance Company of Oregon.

#### RECOMMENDATIONS EXACTED FROM CLAIMANTS—PARTIAL PAYMENTS OF JUST CLAIMS.

The following letters convict the State Insurance Company of Salem, Oregon, of requiring honest claimants to compromise, and exacting recommendations from them as a condition of any payment whatever. According to the first letter, this fraudulent company also advertises the payment of insurance on property not insured at all:

KALAMA, W. T., Feb. 28th, 1885.

You say that you have seen in the circulars of the State Insurance Co. of Salem, Oregon, that my barn is reported destroyed by fire, and that it was worth \$800, etc. I saw the same in the State's circulars. My barn did burn last August, but at time of fire it was not worth more than \$100. It was not insured in the State, of Salem, nor in any other company. The above I will verify if need be.

Yours truly,

JOHN LYSONS.

TACOMA, W. T., Dec. 10th, 1885,

This is to certify that my dwelling house which was destroyed by fire September 7th, 1885, had insurance on it to the amount of \$300 in the American Fire Insurance Co. of Philadelphia, and \$600 in the State Insurance Co. of Salem, Oregon. The American Insurance Co. promptly adjusted my loss and paid me every cent due me from that company. The State Insurance Co. of Salem, Oregon, has never adjusted my loss nor paid me a cent of my insurance, and refuse to pay me unless I compromise. I consider the State Insurance Co. of Salem, Oregon, a grand fraud, and warn all persons to not insure their property in the State, of Salem. All who do will regret it.

THOMAS F. FOUTS.

TACOMA, W. T., Dec. 10th, 1885.

This is to certify that my house, which was destroyed by fire September 13th, 1885, was insured in the State Insurance Co. of Salem, Oregon, for \$610. That I had to compromise with said company and take \$336.75 for my entire loss, or else get nothing. Besides, I had to recommend the company in writing before I got the \$336.75. I consider the State Insurance Company wilfully cheated me out of \$273.25, and that I was shamefully treated by said company. My advice is to all, give the State Insurance Company of Salem, Oregon, a complete letting alone.

J. J. MCCREADY.

### Life Insurance Record.

Below we give a record of the premium receipts and policyholder payments of thirty-one American life insurance companies since organization, together with the payments to policyholders plus present assets. The table is an instructive one, and emphatically proves that the regular, old-line companies are operated in the interest of the policyholders. Since organization, the thirty-one companies have received \$1,307,380,464 from policyholders and have returned to them \$939,069,257. Adding the assets of the companies to the latter sum, we have \$1,458,903,352 as the amount paid policyholders and held in trust for them to meet maturing obligations. This is \$151,527,888 in excess of the amount received from policyholders, and it represents the results of good management and compound interest:

	Prem. rec'd since organization.	Paid Policyholders since organization.	Paym'ts to Policyholders. Plus assets
Aetna.....	\$76,855,094	\$58,038,725	\$88,600,987
Berkshire.....	10,303,282	7,292,971	11,089,139
Brooklyn.....	8,097,023	5,804,363	7,355,759
Conn. Mutual.....	142,109,743	118,077,835	171,507,868
Covenant Mutual..	1,953,046	1,423,800	1,825,722
Equitable.....	149,623,068	88,211,176	154,764,563
Germania.....	27,584,832	17,453,183	28,940,569
Hartford Life.....	3,809,413	2,232,674	3,640,403
Home.....	14,746,382	10,027,963	15,679,686
Homeopathic.....	2,760,815	1,683,474	2,389,388
John Hancock.....	10,336,623	6,900,920	9,652,636
Manhattan.....	30,104,676	23,664,494	34,820,321
Mass. Mutual.....	21,796,170	14,620,584	22,729,338
Metropolitan.....	18,570,989	9,336,745	12,170,721
Michigan Mutual..	4,365,883	2,234,612	3,771,120
Mutual Life.....	285,760,485	230,496,262	339,405,230
Mutual Benefit.....	107,145,599	88,124,059	126,970,310
National (Vt.).....	6,299,335	3,644,310	7,174,969
New Eng. Mutual..	49,348,078	39,187,195	57,033,742
New York Life.....	144,564,691	88,795,103	155,659,424
Northwestern Mut.	52,595,287	36,772,837	61,038,094
Pacific Mutual.....	5,201,115	3,193,570	4,532,162
Penn Mutual.....	23,731,790	15,497,709	25,890,240
Provident Life.....	15,330,216	6,561,797	17,034,000
Prudential.....	4,916,202	1,331,161	2,371,977
State Mut. (Mass.)..	6,901,034	4,720,196	8,607,122
Travelers.....	9,021,593	3,390,143	11,807,186
Union Central.....	7,137,670	3,248,614	5,990,520
Union Mutual.....	27,978,194	21,653,156	27,772,703
United States.....	17,717,026	12,213,043	17,686,467
Washington.....	20,633,880	13,201,573	21,005,986
Totals.....	\$1,307,380,464	\$939,069,257	\$1,458,903,352

Several life insurance companies are re-establishing agencies in the Southern States.

## Life Insurance Written.

The following table presents the life insurance written by thirty-eight American companies during 1885 and 1884:

	1885.	1884.
Ætna, Hartford.....	\$11,018,298	\$8,022,998
Berkshire, Pittsfield.....	3,700,525	2,772,464
Brooklyn, New York.....	562,123	815,550
Conn. General, Hartford.....	1,019,378	1,048,103
Conn. Mutual, Hartford.....	8,162,890	6,951,931
Covenant Mutual, St. Louis..	55,246	45,240
Equitable, New York.....	96,011,378	84,877,057
Equitable, Des Moines.....	400,151	188,432
German Mutual, St. Louis....	36,043	10,283
Germania, New York.....	4,886,016	4,244,453
Hartford L. & A., Hartford....	16,673,500	10,641,500
Home, New York.....	2,791,571	2,253,514
Homeopathic, New York.....	3,534,420	2,164,802
John Hancock Mut., Boston..	8,269,972	5,809,508
Manhattan, New York.....	4,490,590	4,440,814
Maryland, Baltimore.....	500,065	353,402
Mass. Mutual, Springfield....	8,029,520	6,343,270
Metropolitan, New York.....	57,996,892	59,744,713
Michigan Mutual, Detroit....	4,227,445	2,706,581
Mutual, New York.....	46,507,139	34,675,989
Mutual Benefit, Newark.....	14,826,354	13,678,384
National, Montpelier.....	4,645,150	3,668,500
New England Mut., Boston..	7,609,145	6,508,177
New York, New York.....	68,521,452	61,484,550
Northwestern, Milwaukee....	26,259,387	21,057,952
Pacific Mutual, S. F.....	1,416,999	971,380
Penn. Mutual, Philadelphia...	8,379,151	6,259,730
Phoenix Mutual, Hartford...	1,690,227	2,106,844
Provident Life & Trust, Phila.	7,109,171	7,220,305
Provident Savings, New York.	13,881,600	8,809,400
Prudential, Newark.....	28,860,882	24,892,268
State Mutual, Worcester.....	4,120,100	2,963,000
Travelers, Hartford.....	5,645,950	5,479,850
Union Central, Cincinnati....	7,230,061	5,341,880
Union Mutual, Portland.....	4,132,326	8,811,166
United States, New York.....	3,787,955	3,111,488
Vermont, Burlington.....	355,382	290,997
Washington, New York.....	5,045,608	6,898,500
Totals.....	\$492,354,062	428,675,875
Increase.....		63,678,187

Arson is variously defined in the statutes of different States. In some, arson is the malicious burning of any dwelling or building; in others, it is the malicious burning of another person's dwelling or building. In Wisconsin there is no statute prohibiting the burning of one's own house or building, and for this reason, a man was acquitted of arson by a Justice's court in that State recently. No man should be sent to prison for firing his own house. He should be sent to an insane asylum.

## Effect of the Howland Law.

The following table shows the premiums and losses of joint-stock companies in Ohio for the five years preceding and the five years following the passage of the Howland valued-policy law:

BEFORE.			
Year.	Premiums.	Losses.	Loss Ratio.
1876.....	\$3,676,516	\$1,549,904	42.2
1877.....	3,231,629	1,337,461	41.4
1878.....	3,337,812	1,399,904	41.9
1879.....	2,772,868	1,195,477	46.7
1880.....	3,127,361	1,995,494	44.6
Totals..	\$16,146,156	\$6,978,240	43.2
AFTER.			
Year.	Premiums.	Losses.	Loss Ratio.
1881.....	\$3,588,931	\$2,068,889	57.6
1882.....	4,058,627	2,356,851	58.1
1883.....	4,490,010	2,355,677	52.5
1884.....	4,676,370	3,507,848	75.0
1885.....	4,704,732	2,714,455	58.8
Totals.....	\$21,518,670	\$13,003,720	60.4

From the above it will be seen that the average losses in Ohio for the five years since the passage of the "Howland Law" have increased 17.2 per cent.

These statistics prove that such laws promote incendiarism, and by increasing the losses increase the cost of insurance. The people pay it, not the companies. Let us laugh at the folly of legislators and the stupidity of the people whose voice is "vox Dei."

## Texas Siftings.

In his address to the Texas Association of Fire Underwriters, at the annual meeting in February, President Lauve said:

You are all quite aware that the result of the business in Texas for the year just ended was very disastrous. The premium receipts and losses incurred, as near as can be ascertained from the statements filed with the Insurance Commissioner by fifty companies (only four not having yet reported), show an aggregate of receipts of \$1,780,915.18; of losses, \$1,996,323.63, establishing a loss ratio of 112.9-100. It is supposed that the business done by the four companies not yet reported will not materially change the result. It certainly will not better it. The total receipts, including those of the companies not reported, estimated at \$175,000, would amount to \$1,955,915.18, showing a falling off on the receipts of 1884 of about \$290,000, whilst the loss ratio for 1885 shows an increase over that of 1884 of about 43.7-10 per cent.



It was resolved that awnings and sidewalks of mercantile buildings shall always be separately and specifically insured, at not less than the rate on buildings.

The following dwelling tariff was adopted:

	1 yr.	3 yrs.	5 yrs.
B class, detached.....	.75	1.50	2.25
B, C and C classes, detached....	.85	1.70	2.55
D class, if within 350 feet of public fire hydrant and cistern.....	1.00	2.00	3.00
D class, not within 350 feet of public fire hydrant and cistern.....	1.25	2.50	3.75

The foregoing rates do not apply to established rates on dwellings within the corporate limits of Austin, Houston, Galveston and San Antonio.

### Echoes from Abroad.

The new laws regarding the transaction of life assurances in Italy, and which have now been in force for two years, do not seem to meet with the approval of offices doing business in that country. The foreign offices complain that they are seriously handicapped in being compelled to invest one-half of their receipts in Italian Government securities against one-fourth invested by the native offices. On the other hand, the latter protest that the action of the government has the effect of recommending foreign companies to the Italian public, and demand a revision of the law.

The English plate-glass companies had heavy bills to pay after the late London riots, losses from such causes not being excepted in the contract.

A correspondent, writing to a New York paper, says that the Chinese city, as a rule, has no fire department, and it is the duty of the constable to prevent fires breaking out, failure to do so being considered neglect, and subjecting him to a public flogging. While a destructive fire was raging in See Chow, in the course of my visit there, the populace, instead of making an attempt to quench the flames, devoted their entire attention to the whipping of the poor constable, who was so unfortunate as to be caught looking on the scene.

I have learned since that the constable is permitted to hire a substitute to take his floggings. He pays the man a small monthly salary to fill this place, but if the fellow happens not to be present in case of an emergency, the constable himself is made to suffer. Of course, whenever he takes a thrashing, he deducts so much from the pay of the substitute.

Action was recently brought in the English Supreme Court by the owners of a cargo of rice, shipped on board the defendant's ship, the *Inchrhona*, for damage to the cargo by sea-water. The damage in question was caused by rats on board the vessel gnawing through a pipe by which sea-water was pumped up to the bath room, the pipe having its lower exit a few inches below the water-line of the vessel, and the hole having been gnawed above the water-line, but not high enough to prevent water entering as the ship rolled. At the trial it was admitted that the damage was caused by sea-water passing through a hole in the pipe, that the hole was made by rats, and that reasonable precautions were taken by the defendants to keep down the rats during the voyage. The only question left to the jury was whether the rats were brought on board by the shippers in the course of shipping the rice, and this question was answered in the negative. Upon these admissions and findings, the question was raised of the liability of the shipowners under bills of lading which exempted the owners from liability for "all and every dangers and accidents of the seas, rivers, and navigation," and under a charter party in terms practically identical with the above. The Court held that the shipowners were not liable.

The *Insurance Gazette* of Belfast, Ireland, in a description of the gallant charge of a wild Irish fire brigade, says:

"At the last moment it is decided not to take the steam engine, it being at the foundry for repairs, where a considerable portion of its time is usually spent..... The tension of the limb, the extended nostril, and the dilated eye of the horse rushing into battle, has often formed a theme for the writer and a subject for the

painter. But its nervous excitement so portrayed sinks into insignificance when compared with the appearance of the Wild Irish Brigade upon its arrival at the scene of a fire. Once there it is just a toss-up whether it first turns to fight the devouring element or the pugnacious spectators. . . . . The fact is that even a newly-made magistrate staggering beneath a sense of his own importance, cannot be compared with a member of a wild Irish brigade, in presence of danger. He just feels as if he could "lick creation," and in these moments of mental intoxication it is not safe to cross his path. Then the streets are his, the buildings are his, and clothed with brief authority he imagines himself the master of the town, and not an humble servant of its inhabitants."

The Hamburg - Magdeburg Insurance Company has transferred its New Zealand business to the Equitable Insurance Association of New Zealand.

At a time when, in England, offices are increasing the minimum sum guaranteed for the surrender of a policy, it is curious that the managers of French life offices are discussing the advisability of giving less as a means of stopping the increasing number of withdrawals. In France, as here, policy-holders have felt the pressure of the times, and we think that the French companies would do well to adopt more extensively the English plan of granting a loan upon the policy to the extent of its surrender value. The loans upon policies (*prêts sur polices*) count for a comparatively small sum amongst the investments of French life offices.—*Post*.

Valparaiso has had a million-dollar fire. It was a Chili day when the city got left.

The customhouse stores at Catalinas, an Argentine port, were recently destroyed by fire. The loss is estimated at \$3,000,000.

The libel suit against Herr von Stahl, the agent of the Equitable Life Assurance Society for the Austrian Empire, has been dismissed, and the complainant had to pay the costs. The Austrian life companies

employed a tool to defame their great American competitor in a series of pamphlets. The Equitable agent replied so vigorously, that a suit for libel followed.

### Dependent on Agents.

Companies are obliged to act largely in the negotiation of insurance through agents other than their immediate officers. And in the selection of such agents the company is not always able to obtain the services of wholly trustworthy persons. Yet to these persons would be confided the valuation of the insured property and the amount of insurance based on that valuation. For the protection of the people it is fit and of legal obligation that the company should be held liable and bound by certain acts of these agents in their insurance transactions; yet that liability should be imposed no farther than the necessities and equity of the case. But under the valued policy law the company is bound by the agent's valuation, however false or treacherous, and unless corrupt collusion with the assured can be proven. True, the statute permits the policy may be voided by proof of fraud in which the assured participates. But such actual fraud is usually extremely difficult and often impossible of proof, and this law tempts to its commission. Where the over-valuation is the fault of the agent from his incapacity, neglect, or corrupt yielding to the temptation of a larger reward from the transaction, the law refuses a remedy and enforces the injustice. Surely that cannot be good legislation, which incites to wrong and shelters it, and impairs the customary freedom of private commerce, unless justified by the prevention of some graver injustice not curable by less objectionable means.—*Tarboz*.

A very convenient "rule of thumb" enables an agent for life assurance to roughly approximate the expectation of life at any age when he may not have his table with him. Deduct the present age from 80, and take two-thirds of the remainder. Thus to find the expectancy at age 30, deduct 30 from 80, thus leaving 50, and strike off one-third of 50, or 16 2-3, which leaves 33 1-3 years.—*Exchange*.

## Life and Casualty Business in the United States.

The life report of the New York Insurance Department shows gains (in the aggregate of twenty-nine companies) in assets, surplus, premiums, income, claims paid, policies in force, and insurance in force. There was a slight falling off in the amount of dividends to policy-holders, owing to lower rates of interest and a glutted money market. The gain in policies in force was 64,124. The gain in insurance in force was \$152,789,422. Of \$78,513,171 received from policy-holders, \$61,218,751 was returned for surrendered policies, for maturing claims, and in dividends. The expenses and the amount paid policy-holders exceeded the premium receipts over a million dollars. The average expenses were about 23.6 per cent. of the premium receipts, and about 18.7 per cent. of the total income.

The surety, steam boiler, plate glass, and accident companies report considerable gains for 1885 over 1884. The assessment companies also report gains, in the aggregate, but these gains are mainly to be attributed to the admission of a number of other-State associations, which report to the Department for the first time.

Following is a comparative summary of the life, fidelity, casualty, and co-operative reports for 1884 and 1885:

### LIFE COMPANIES.

	1884.	1885.
Number.....	29	29
Assets.....	\$491,487,719	\$523,664,678
Reserve.....	402,884,463	427,474,658
All other liabilities....	6,792,065	6,528,947
Total liabilities.....	\$409,676,528	\$434,003,605
Surplus.....	\$81,811,191	\$89,661,073
Capital stock.....	4,290,500	4,290,500
Premiums received....	72,016,264	78,513,171
All other receipts.....	24,958,112	27,014,694
Total income.....	\$96,974,376	\$105,527,864
Claims paid.....	\$35,602,543	\$38,624,822
Divid's to policy-h'ld's	13,043,498	12,963,660
Paid for forfeited poli's	9,503,530	9,630,269
Expenses.....	18,153,436	18,715,266
Divid's to stockholders	329,091	325,531
Total disbursements	\$76,632,098	\$80,259,548
Policies in force.....	750,567	814,691
Insurance in force.....	\$1,870,728,059	\$2,023,517,488

### FIDELITY AND CASUALTY COMPANIES.

	1884.	1885.
Number of companies..	9	10
Assets.....	\$4,988,476	\$5,453,107
Reserve.....	\$1,409,267	\$1,682,836
All other liabilities....	281,626	368,607
Total liabilities.....	\$1,690,893	\$2,051,543
Capital stock.....	\$2,457,560	\$2,567,560
Surplus.....	840,023	834,103
Premiums received....	\$3,632,650	\$3,886,211
All other receipts.....	242,185	226,390
Total income.....	\$3,874,835	\$4,112,601
Losses paid.....	\$1,454,586	\$1,459,540
Divid's to stockholders	183,454	183,454
Expenses.....	\$1,880,170	\$2,067,728
Total disbursements	\$3,518,120	\$3,710,722
Risks in force—		
Accident.....	\$250,819,763	\$266,227,934
Steam boiler.....	36,288,643	54,286,242
Fidelity.....	40,569,184	57,622,701
Plate glass.....	9,531,579	12,001,908
Totals.....	\$337,129,169	\$390,138,785

### CO-OPERATIVE ORGANIZATIONS.

	1884.	1885.
Number of associations	127	138
Invested assets.....	\$1,648,806 13	\$2,815,400 37
Other assets.....	2,041,257 63	2,971,651 46
Total assets... ..	\$3,690,063 76	\$5,787,111 83
Total liabilities.....	\$1,747,520 47	\$2,482,230 54
Income—		
Rec'd from members	\$12,993,616 26	\$16,345,120 89
Other receipts.....	247,426 13	285,730 85
Total.....	\$13,241,042 39	\$16,630,851 73
Disbursements—		
Claims.....	\$11,159,302 91	\$13,461,772 16
Expenses.....	1,528,820 72	2,337,588 09
Total.....	\$12,688,123 63	\$15,799,360 25

## The Valued Policy.

But, the advocate may argue, the valued policy is a contract of indemnity only. It simply fixes the amount by agreement in advance. What amount is indemnity is a matter of estimate, and why may not the estimate be made by appraisal and agreement before, as well as by adjustment after the loss? The answer to the argument is not difficult. The true indemnity is the injury by the loss, and that is measurable only by the value of the lost property when the loss occurs. Between the contract and the loss the value of the property may sensibly diminish, whereby the moral hazard is made greater, and if insured for full value at date of contract, under a valued policy



the assured gets profit in addition to indemnity. To estimate value at date of the policy, or at date of loss, after loss, is feasible, because the valuation can be made from known facts; but a reliable valuation of what property will be worth at an uncertain date future is not possible. If the company is to be conclusively bound by the policy valuation, however clear the error, it must, before issue of the policy, cause a careful and competent valuation of each parcel of property it insures; and, furthermore, it must establish a system of supervision of all its risks of that class, in order to protect itself by cancellation of policies should the property depreciate. The burden of cost incident to these prudential measures, and chargeable to the valued policy, would fall upon the public.—*Tarbox*.

#### Legal Liability of Members of Benevolent and Business Co-operative Insurance Associations.

MEMBERS CAN NOT DROP OUT WHEN THEY PLEASE—NUMEROUS AUTHORITIES CITED.

The belief prevails among members of beneficial corporations that when assessments come too fast or the company gets into trouble they can drop out by making default, being expelled for non-payment of dues or assessments, and so avoid responsibility on subsequently occurring deaths, but this belief is without foundation and the converse of the proposition is true. By Sec. 322 of the Civil Code "In corporations having no capital stock each member is individually and personally liable for his proportion of its debts and liabilities." *Members* of corporations having no capital stock are put on the same footing as *stockholders* in those which have. As to when the liability attaches, the Supreme Court, in *Derby vs. Stevens*, 64 Cal., 288, Judge McKinstry delivering the opinion, says: "From the moment a debt is created by a corporation each of the *then* stockholders becomes primarily liable for his proportion of such debt." The debt is not *created* when the member dies, but when the corporation takes his money and makes its promise to pay; the debt is *payable* on the occurrence of the death, but this time of

payment is no more than when the debt is incurred than on any other contract involving a direct promise to pay money. One borrows on note and mortgage; the indebtedness is incurred when he takes the money; he owes the debt from the moment he does so. The same rule applies to these promises to pay made by the mutual benefit corporations. Their benefit certificates have the characteristics of promissory notes; they are for value received, for the payment of money to a specified person at a future time which is certain to arrive, as all men must, some time, die. Daniel on Negotiable instruments, Sec. 30.

It is unwise, therefore, for members of such corporations to hold to this belief that they can throw off at will their liability. To pay their several proportions of each debt as it falls due is a personal contract which each of them makes with the creditor when such debt is incurred by the company, and they can no more avoid this contract to pay than any other promise to do so made upon valuable consideration. That they may abandon *their own* several claims for benefits and forfeit those of their nominees, by failure to pay assessments, is possible; but that, by their own default, or any forfeiture resulting from it, they can free themselves from liability, is a proposition wholly untenable. (2) The magnitude of these responsibilities, the fact that the members may be sued and put to great costs on each debt, does not affect the case. The law relieves no man from contracts because they are onerous or have been unwisely made.

Nor does it matter, "in the eye of the law," that these constantly occurring deaths extend this liability over a long period of time. Men are held to know the results of their actions, when such results depend on natural causes and conditions which must have been foreseen by them. They are deemed to have accepted the legal responsibilities of the position in which they have deliberately placed themselves. How members of such corporations can get out of them, how they can be relieved from the consequences of having joined such societies, is a problem of great difficulty. So far

as we are able to learn, no one has yet solved it.

These beneficial associations for life insurance are like the wire rat cages, the round entrance holes to which are guarded from within by sharp-pointed wires. They are easy to go into, hard to get out of. To the unfortunates who are in the trap, we can give but scant comfort. It is nearly, if not quite, impossible for them to get out alive, and we do not assume to advise them in the premises. It is, however, due to ourselves and the public that, as journalists in the field of legitimate life insurance, we should, as we do, warn the unwary against these traps, so that they who are out of them may know enough to keep out.

#### NOTE.

(1.) "A general statute, imposing a personal liability upon stockholders for the corporate debts, is not considered to impose it as a penalty, but by way of recognizing an obligation arising upon Contract." Boone on Corporations, Sec. 126, and citations to note 6. Morawitz on Corporations, Secs. 607-9. In this State each member of an incorporated company is answerable, personally, for his proportion of the debts and liabilities of the company. *Each corporator is a principal debtor*, and not a mere surety for the corporation. *Mokelumne Hill Co. v. Woodbury*, 14 Cal., 265. "His responsibility commences with that of the corporation, and continues during the existence of the indebtedness. It is not in any sense contingent, but is declared to be absolute and unconditional." *Id.* opinion, p. 266. *Davidson v. Rankin*, 34 id., 503. "The liability of the stockholders for a subsisting debt against the corporation is primary, and not contingent or conditional, and is unaffected by a suspension of the remedy against the corporation." *Young v. Rosenbaum*, 39 id., 646. "A judgment creditor need not wait for the corporation to make a call or levy on assessments; he has his action without applying to the company to levy assessments." *Thompson v. Reno Savings Bank*, Supreme Court of Nevada, Sept. 18, 1885, 7 Pac. Rep., 870. "The liability of a stockholder is primary. A creditor is not bound to exhaust the remedies against the company which the law has provided for his protection, before proceeding against the stockholder." *Morrow v. Superior Court*, 64 Cal., 383, 2. "Mutual benefit societies which obligate themselves to pay money upon the death of their members to their beneficiaries, are regarded in law as ordinary insurance companies, and are subject to the same rules." *Oliver v. Supreme Council of Legion of Honor*, X. P. C. L. J., 481. They are, in effect, life insurance corporations on the co-operative plan; mutual insurance companies which assess members, on stock, notes or otherwise, to pay losses, State of

*Kansas v. Merch. Ben. Ass'n*, IX. *Ins. Law Jour.*, 643. *Bolton v. Bolton*, 73 Maine, 299.

The liability of members in mutual benefit societies is just like that of members of a mutual insurance company. *State v. Merchant's Exchange*, etc., 72 Mo., 147. "Each person insured becomes a member of the body corporate, clothed with the rights and subject to the liabilities of a stockholder. He is at once insurer and insured." *May on Insurance*, Sec. 548. Caption, "Mutual Insurance." "Forfeiture of policy no defense against liability on note. When membership is once established its liabilities continue although the member does some act which by the terms of the contract avoids the policy, and although the company declares the policy void, so that the right of the insured to indemnity in case of loss no longer exists." *Id.* 553. In *Cowles v. Iowa State Mutual Insurance Company*, 18 Iowa, 427-8, the directors passed the following resolution: "All policies on which the assessment of the 3d day of January, 1863, is not paid on or before the 10th day of April, 1863, the party so in default shall be excluded and debarred and shall lose all benefit and advantage of his, her or their insurance respectively for and during the term of such default, and, notwithstanding, shall be held liable and obliged to pay all assessments that shall be made during the continuance of his, her or their policies of insurance." The vital question of the case was whether the member could be so "excluded and debarred and lose all benefit of his insurance for and during the term of such default, at the same time be liable for assessments." (p. 429, opinion.) The Court held that not only could his benefits and insurance be suspended, but his policy absolutely annulled and he remain liable (p. 430), on the ground that the existence of the company and its ability to pay losses depends on the contract of its members to pay their just proportion of all such losses, saying, "If one member can disregard these obligations so can all, and the company would cease to exist entirely, or be stripped of its ability to fulfill its contracts." In *Iowa St. Ins. Co. v. Prossel*, 11 Iowa, 116, the suit was on an assessment upon the premium note in a mutual insurance company. Defendant admitted, in his answer, "the right of the company, by virtue of their by-laws, to make and call in assessments on their premium notes, and also their right to declare all policies forfeited when such assessments are properly made and not paid. But defendant claims that he refused and neglected to pay to plaintiff the amount assessed to him above stated; that, for the reason of such failure the plaintiff declared said policy void for which said note was given; that by this act of plaintiff defendant ceased to be a member of said company; that the consideration for which said note was given had, by this act of plaintiff, entirely failed, and that defendant was not liable for the same or any part thereof." Plaintiff demurred to this answer, admitting it to be true, on the ground that the facts therein stated did not constitute a defense, and the question whether the default to pay an assess-

ment, action thereon by the company expelling the member and making the policy void, operated as a discharge to him. The Supreme Court held that it did not; that the demurrer was well taken; that the defendant could not avoid his obligation by failure to comply with it, even if by such failure his policy was made void and he lost his membership. See also, to same effect, *Commonwealth v. Union Mut. Ins. Co.*, 112 Mass., 116; *Swampscot Machine Co. v. Partridge*, 5 Foster (N. H.), 369. And this statutory liability cannot be limited, changed or avoided by any by-law of the association, or contract, stipulation or agreement of the members among themselves.—*Russell v. Berry*, 51 Mich., 287.

### Less than Three Cents on the Dollar.

#### A CO-OPERATIVE TENDERS \$124.35 IN PAYMENT OF A \$5,000 CLAIM.

On the other side of San Francisco bay there is a hat-passer called the Pacific Mutual Endowment Association of Oakland. It circulates the usual co-operative literature, denounces old-line life insurance, and proves its own lease of life by citing the venerable friendly societies which flourish six thousand miles away, and resemble the American co-operative as much as an eagle does a buzzard. On August 14, 1885, this Oakland mutual endowment fraud issued a policy or certificate to John Carter, for \$5,000. The policy was numbered "225," and the first "coupon" matured in 1890. But in January last the policy matured by the death of Carter. In the meantime he had paid \$30 in fees and assessments. The widow and beneficiary, Mrs. Bridget Carter, living at 1701 Adeline street, Oakland, filed her claim with the association, and received in reply a letter from the Secretary. That officer informed her that the association had just twenty-nine members who were assessable, and that the assessment on her \$5,000 policy would yield \$124.35. Assuming that the widow will receive this enormous sum, without the customary deductions for "expenses," alias "the officers," her claim will be settled for less than two and a half cents on the dollar. Had her husband the good sense to insure his life in a regular old-line company, the \$30 he paid the Oakland swindle would have purchased a thousand dollar policy, and his unfortunate widow would now be rejoicing in the

possession of that amount of good gold coin. This instance of co-operative shortcoming and a greatly deceived beneficiary is but one of thousands, every one of which should be a sufficient reason for the enactment of a law regulating assessment insurance in this State.

### Death Rate From Accidents.

The following table is taken from a paper by the Superintendent of Statistics in the British Registrar General's office. It is the death rate per million from accidents.

Occupation.	Rate per million.
Miners.....	2,785
Fishermen.....	2,351
Quarrymen.....	2,290
Cabmen.....	1,229
Painters, plumbers and glaziers.....	1,129
Blacksmiths.....	758
Builders, masons and bricklayers.....	696
Innkeepers, publicans.....	696
Medical men.....	644
Carpenters, joiners.....	588
Commercial travelers.....	557
Butchers.....	541
Agricultural laborers.....	511
Farmers.....	464
Cotton workers.....	464
Wool, worsted workers.....	418
Gardeners.....	371
Pottery workers.....	371
Bakers.....	325
Tailors.....	278
Shoemakers.....	263

### A United States Circuit Court Decision.

The case of *Geo. H. Durham v. The Sun Insurance Co. of San Francisco* was recently decided by the United States Circuit Court for the District of Oregon. The suit was brought to reform the policy and collect the insurance. The property insured was a new warehouse, and belonged to a firm known as the Dayton Flouring Mills Co., composed of five persons. It was insured as the property of one person only, and the loss was made payable to him. The policy was assigned to complainant before the loss. The company resisted payment on the ground that the interest of only one person had been insured, and further, that the insured building was nearer a grist mill than it was led to suppose it was from the



so-called application. The application was signed by the solicitor of the company, and not by the insured.

No written opinion was filed by the Court, but it was held that the solicitor was the agent of the company, and not of the insured; that the knowledge of the solicitor and the company's resident agents as to the membership of the Dayton Flouring Mills Co. was the knowledge of the insurance company also; and that the policy should be reformed to express the intention of the parties. Judgment was given for the amount of the insurance.

The full report of the decision in the original suit to reform the policy, filed December 31, 1884, will be found in the March, 1885, number of the COAST REVIEW, page 170.

### Our Apology to the Pelican Insurance Co.

#### WHY ISN'T THE PELICAN OF NEW ORLEANS A WILDCAT?

In the January COAST REVIEW the wildcat companies operating in Idaho Territory were roughly scored, and the statement was made that none had been organized in any State or Territory having an Insurance Department. The Pelican, of New Orleans, which was included among the wildcats, takes exceptions to the classification, and sends vouchers from North and South Carolina which prove—not that the company was organized under the supervision of an Insurance Department, nor that it has been examined by any one—but that it has paid license fees. Louisiana has no Insurance Department, neither has South Carolina nor North Carolina. The Pelican people have neglected to furnish us with any evidence of an examination of the company by any Insurance Commissioner, and it is a curious fact that, although their letter is dated March 6, they send us the statement of the company for 1884, and not for 1885. It does not appear that the Pelican is doing business in North Carolina, the laws of which require \$100,000 available assets as a condition of admission. In the statement of the company forwarded us (for 1884) the company reports \$8,567.71 cash assets. The most of the remainder of the assets are

"stock notes." There is \$26,978 in "loans on pledges." From this we see no reason for retracting our statement. In the *Vindicator* of New Orleans, for March 1, we find the second annual statement of the Pelican, according to which the company has \$25,935.97 cash assets—from premium receipts, perhaps. The remainder of the "assets" are "stock notes," "bills receivable," "premiums in course of collection," etc. Although two years old, only a fraction of the alleged capital stock has been paid. We still see no reason for any retraction, and submit, further, that the fact that the Pelican writes risks in Idaho on which all reputable companies decline to write is in itself excellent evidence that the company is a wildcat enterprise. When the Pelican has any tangible assets, and submits to an examination by properly constituted authority, and pursues legitimate practices, it will be time to call it by some other name than wildcat. In the meantime all sensible property holders will let the company severely alone.

### Taxation of Life Insurance Companies.

At the annual meeting of the Boston Life Underwriters' Association, recently held, Col. Jacob L. Green, President of the Connecticut Mutual Life Ins. Co., spoke on the subject of the taxation of life insurance. From his address we make the following interesting extract, which very forcibly proves that the taxation of premiums is the taxation of losses, and the losers pay the special tax for the privilege of paying a loss:

Property, money, while used in the machinery of insurance, has a peculiar and most distinct representative character, to which your careful attention is asked:

The human operations dealing with material things may be broadly grouped in two classes: First, those which have to do with the production and conservation of wealth; second, those which have to deal with its destruction.

A mutual company differs from a stock company only in that it avoids the expense of profits paid to capital stock, while it secures the service actually rendered by that

# PHENIX

*Insurance Co. of Brooklyn, N. Y.*

**ORGANIZED A. D. 1853.**

Assets, January 1st 1886.	\$4,910,483.56
Liabilities including Re-insurance Fund,	3,196,316.25
Surplus to Policy holders,	1,714,167.31
<b>Premium Income in the U. S. in 1885,</b>	<b>\$4,883,962.91</b>

**LOSSES PAID SINCE ORGANIZATION OF THE COMPANY OVER**

**\$23,000,000.00.**

The astonishing progress of the PHENIX during the past seven years will be better understood after examining the following exhibit of the growth in premium income and assets:

	ASSETS.	PREMIUM INCOME.
1879.....	\$2,478,640	\$2,162,338
1880.....	2,538,259	2,182,977
1881.....	2,826,875	2,069,033
1882.....	3 295,327	2,496,610
1883.....	3,759,035	3,112,577
1884.....	4,342,430	4,300,410
1885.....	4,910,483	4,883,962

**PACIFIC COAST DEPARTMENT:**

**No. 429 California Street, S. F.**

**BROWN, CRAIG & CO.,**

**MANAGERS.**





stock by charging a somewhat higher premium and keeping the excess until the losses and expenses for the year have been met, and then returning what is left. These losses can be met only from the premiums. Here, as in the stock company, each man's premiums are simply his share in the destruction of other men's property, and in the expense incident to the division of that loss among the community, only there is one less item of expense, the profit to capital. Nothing has been produced, nothing made, nothing exchanged, nothing gained, nothing even saved; the property of one has been destroyed, and the many have prevented his ruin by taking that loss to themselves.

Tax this machinery, the money employed in so dividing around a loss, and what is in reality taxed? The loss itself. Who are taxed? The losers. In what capacity are they taxed? As losers.

A's house is worth \$5,000. While he has it he is taxed upon it. It burns; it is absolutely destroyed; \$5,000 is actually wiped out of the sum of the world's wealth, as well as taken from him. Is he to be taxed upon it every year after it is destroyed? Obviously not. Is he to pay a special tax because it has burnt? Because he has lost \$5,000 is he to be made to lose something more, to pay a fine for losing it? Who would dare propose such a tax?

But the house-owning community say, "We will take A's loss upon ourselves; we will each of us lose, say \$1.00, that A may not lose \$5,000." The loss remains; it is not replaced; it is merely divided among five thousand losers. A receives another \$5,000 in place of that lost, and then the government goes on taxing the new sum.

Is A now to be made to pay a special tax because his loss has been assumed by others? Because in the end others, and not he, have lost, is he to be made to lose something to the government? Is he to be taxed on their loss? No one has ever even suggested such a tax. If he paid it he would still lose that much by government instead of by fire. Why should he lose anything?

But if the special tax may not be laid upon A, must it be laid on the five thou-

sand who have taken his place as losers? Because they have each lost a dollar, must they be made to lose more? Does division of the tax change its moral quality? Does it make it anything else than a tax on a loss, measured by a loss and laid upon the loser?

But this is precisely what is done. No one dares tax the single loser on his loss, and because of his loss. No one dares tax the many losers directly on their losses by compelling them to declare how much they have paid in premiums for the year and then taxing them on that amount; but government waits until they have paid their premiums to the company that settles the losses, and then taxes the company on these premiums, either as premiums or by some other name. But the company has no money for taxes; if it be a stock company it has to collect the additional amount from the premium payers, from losers on their losses; if it be a mutual company it has to take out of the money received at the beginning of the year just so much in addition to the actual losses met and the expenses, and return just so much less. The incidence of the tax is completely concealed. It appears to be laid upon property belonging to a corporation; it is laid upon losses and nothing else, and falls upon the losers and no one else. In either kind of organization it is a tax on losses, paid by the losers, concealed by being done in the name of a company.

#### Litigiousness of the Mutual Reserve Fund Life Association.

The Mutual Reserve Fund Life Association of New York resisted \$124,000 claims in 1885. Its law expenses were \$11,499.82. On December 31, 1885, it owed for unpaid claims \$390,750, or about one-quarter of its receipts from members and one-third of its assessment receipts. The percentage of resisted claims to claims paid was 14.7. This is a very bad record, and its badness is made conspicuous by contrast with the record of legitimate life insurance companies. For example, the Connecticut Mutual, Equitable, Mutual Life and New York Life resisted the payment of claims to the amount of \$149,752, only a few thousands more

than the Mutual Reserve Fund alone resists. The four old-line companies paid \$35,047, 195 to policyholders in 1885. The co-operative paid to its policy holders in 1885 only \$838,879. The four old-line companies resisted less than one-half of one per cent. of the claims presented. The Mutual Reserve Fund co-operative resisted 12.9 per cent. of the claims filed against the association. What a record of litigation is this! Every eighth claim resisted! The responsible cause for this extraordinary proportion of litigated claims is doubtless an extraordinary death rate. The assessments can be kept within reasonable limits only by a flat refusal to pay many claims.

### The Washington Insurance Co.

The premium income of this Boston company, which has been rapidly advancing since its organization in 1872, drew near the million post (\$948,118) last year, by a gain of about \$150,000. A corresponding gain was made in assets, and a gain in net surplus was also made. The total income was \$1,015,543, and the total expenditures were \$925,291. The assets of the Washington are now \$1,810,273, and the net surplus is \$128,018. Perhaps it would be well to present a few figures, which, showing the prosperous growth of the company, will better sound the praise of the management and say more for the popularity of the company than "set words" or stereotyped adjectives.

*Videlicet:*

	Assets.	Prem's.	Amount at Risk.
December 31, 1885....	\$1,810,273	\$948,118	\$74,267,420
" " 1884....	1,607,415	801,058	52,243,141
" " 1883....	1,595,550	505,435	39,801,621
" " 1882....	918,031	325,796	23,269,287

The cash capital of the Washington was increased in 1882 from \$400,000 to \$1,000,000. The surplus as regards policyholders is therefore \$1,128,018.

The Pacific department of the Washington now embraces the Rocky Mountain and Pacific Coast States and Territories, under the management of Geo. D. Dornin. It is superfluous to add that in this field the company did a good business, taking in \$55,364 in premiums, and incurring only \$14,211 in losses.

### The Orient Insurance Company.

This excellent Hartford corporation presents a creditable statement of its resources and business for 1885. For example, the assets, by an addition of some \$75,000, became \$1,551,954, and the premium income advanced from \$518,035 in 1884 to \$571,120 in 1885. The net surplus, now \$130,895, gained \$57,418. The total income last year was \$639,609, and the total outgo, including dividends, was \$559,697. In 1880, the premium income of the Orient was less than a quarter of a million. In the five years intervening the annual premium income has more than doubled. The following table shows the steady growth of the company within the last four years, since the capital increased from \$500,000 to \$1,000,000:

Year.	Assets.	Premiums.	Amount at Risk.
Dec. 31, 1885.....	\$1,551,954	\$571,120	\$54,348,538
" 1884.....	1,474,443	518,035	49,016,242
" 1883.....	1,411,894	428,697	42,916,987
" 1882.....	1,395,404	402,662	39,390,398

On the Pacific Coast the Orient is under the management of Geo. D. Dornin. The premium receipts of the company last year in this field were \$45,004, with a loss ratio of only 34 per cent.

### The "Duty" Argument.

There is a great deal of tedious and unalloyed bosh written about life insurance from a moral point of view. Several of our contemporaries disfigure their columns with this sort of gush, and the same or similar articles appear in the monthly quartos or octavos issued to policyholders by many life insurance companies. Does anybody read them? and, reading them, is anybody influenced in the remotest degree by these goody-goody appeals to a disagreeable sense of duty? We think not. The space given to such high moral slush is worse than wasted, for the reader is bored, and therefore prejudiced. It is men who insure, and men want facts and figures. They realize their duty to their dependents, and if they are remiss in the discharge of that duty, the sweet preaching of a life insurance solicitor or paper is naturally and

properly deemed an impertinence. The preacher is after a commission. This is a matter-of-fact age, and Americans are a matter-of-fact people *parexcellence*, and that agent will reap the largest commission harvest who most clearly demonstrates that it is a man's own interest to insure his life. That is the key-note of the solicitor's success. He must appeal to the selfish, not the generous element of man's nature. The generous element requires no appeals of any kind.

### A Public and Private Evil.

We make the following extracts from the advance sheets of the Massachusetts Insurance Report for 1886:

Property of the estimated value of about \$95,000,000 perished profitless by fire in 1885 in the United States, a decrease of about \$15,000,000 from the same casualty record of 1884, but enormous. The record is a sad one and a reproach to the enterprise and thrift of our people and the efficiency of our government as compared with other governments and peoples. The subject concerns so importantly our material prosperity that its agitation cannot be forborne, though results be slow and discussion irksome, until public attention is actively interested in it, nor until such conditions of protection to property are established as shall confine the ravages of the element to its natural spoil of unavoidable accident.

The wilful destruction of property, by the inducement of profit to its owners, is responsible for a fraction of the waste; how large, is not capable of reliable estimate; not so large, I trust, as some conjecture; but considerable enough to be sorrowful both to the economist and the moralist. Carelessness, induced by the sense of safety afforded by insurance and by the knowledge that, if loss happens, indemnity will follow to repair it, is a more potent if less wicked factor.

Insurance companies often insure property for its full value, and not seldom for more. The owner, if it burns, can recover every dollar of his loss. He has

### NOT THE MOTIVE OF SELF-INTEREST

to protect it. Often its loss by the peril insured against would be to his profit. The result is the destruction of property by neglect of reasonable care for its safety, and by criminal contrivance. The remedy is largely within the power of underwriters, but not altogether. The responsibility in this particular rests with insurance. Doubtless without any insurance the fire loss would greatly diminish, because of the larger diligence for the protection of property exercised in its care. But the individual martyrs would be more numerous and the personal hardships more onerous than a generous Commonwealth should insist upon as sacrifice for such a measure of public good. And the saving to the public wealth would poorly compensate the disturbance of commercial credit and the anxiety and disquiet of every owner of property exposed to perils from which his utmost vigilance could not protect. The proposition to cure the incidental mischief of insurance, by the abolition of insurance, is too radical for popular acceptance. We must seek other remedy or endure the fault.

Should underwriters refuse to insure property for its full value, so that the owner will always have a substantial money stake in its preservation, the source of loss arising from the interest of the owner to destroy it, or his want of interest to defend it, would close up. An impediment, perhaps insurmountable, to the application of that remedy to the full extent may be the popular

### DEMAND FOR FULL PROTECTION

by insurance. In that case, the only resort left us is to impose upon the assured a legal obligation to take care that the property does not perish for want of ordinary diligence on his part, and to make his right to recover for his loss conditional upon his performance of the obligation.

In other countries the laws have gone to the extent of limiting insurance to loss or damage from fire originating outside the insured premises, leaving the owner responsible and remediless for injuries done by fire confined to premises under his control.



Such extreme legislation would not find favor with us. It asks an impossible diligence and leaves the assured defenseless against the misfortune of unavoidable perils, with which the genius of our time would not be content. But it is both reasonable in itself, and demanded by justice, that a person shall not suffer his property to be destroyed by his fault and then be indemnified for the injury. For, it is important to remember, insurance indemnities are paid from the contributions of the mass of insured persons which supply the means of payment; and under a system which pays indemnities for losses caused by the loser's fault, injustice is done to the prudent by wrongful taxation to repair the waste of the imprudent. Thereby insurance departs from its proper province, the relief of misfortune, and

#### THE LAW OFFENDS WISE PUBLIC POLICY

when it encourages improvidence by enabling it to escape the just penalty of its error. The legal obligation, with penalty of loss of indemnity for neglect, would recreate in the owner of property the self-interest to care for its safety which full insurance destroys.

If the proportion of fires attributed to malice and design approximates the truth, even remotely, the prevalence of incendiarism and the injury inflicted upon the public is a fact of startling import, and the inefficiency of our criminal jurisprudence to prevent or punish the odious crime is painfully manifest. That the police and judicial administration is derelict in any degree I would not intimate. The crime is of a nature

#### FAVORABLE TO CONCEALMENT

of the evidences which might reveal the guilty fact and discover the criminal, especially when committed by the occupant and owner. The success of the criminal attempt is quite sure to destroy the principal proof. But an effort should be made to improve the efficiency of the laws in that behalf. A cumbrous mode is provided by statute, by which judicial inquest may be made into the cause of a fire when it appears probable that it was of incendiary origin. But the statute is rarely resorted to,

and was designed for cases where the evidences of crime are well defined, and not for general inquisitorial use. What investigations are made are chiefly by insurance agents, under conditions not favorable to a full disclosure of the facts, without aid from the public authorities, and often in the hostile face of vicinage prejudice, which amiably perhaps, but unjustly, sympathizes with the individual against the corporation. My view is that much may be done for the abatement of the crime if efforts proportioned to its gravity are made by the public authorities. Thorough inquests and reports of the origin, nature and results of all fires, innocent or malicious, should be made. Two useful objects might be served thereby: (1) the discovery and punishment of crime; and (2) authentic information in regard to fires, in aid of laws and expedients adapted to their prevention.

#### The Fire Insurance Association of London.

The Pacific Coast department of this English company has been transferred by United States Manager Lock from Hutchinson & Mann to Jacobs & Easton and W. L. Chalmers, who will represent the company as associate managers. Mr. Chalmers has been the special agent and adjuster of the Fire Insurance Association for the past two years, and his selection as one of the managers of the Pacific Coast department is therefore an especially fit one. He has been identified with the fire insurance business for over twenty-five years, and fifteen years of that time in San Francisco. For the past ten years he has been with Hutchinson & Mann's agency. Jacobs & Easton are well and favorably known as the representatives of a number of first-class companies. The Fire Insurance Association has been represented in this field for the past six years, and has always commanded a large and choice business.

The United States branch has available assets to the amount of \$921,423.61, and a net surplus of \$387,201 over all liabilities. The premium receipts of the branch during 1885 were \$760,959.48. The statements of foreign companies have not yet been filed

with the Commissioner, and we therefore, at the present writing, cannot give the figures of the parent office for 1885.

Under the new management the reputation of the Fire Insurance Association for fair dealing and the prompt discharge of all obligations will be fully upheld. Under the management of Messrs. Jacobs & Easton and Chalmers, the Pacific Coast interests of the company will be ably conserved and the growth of business steadily maintained.

### Good-bye, Sir Knight!

We can announce, with the assurance that no one will regret the announcement, that the term of the present Insurance Commissioner of this State, George A. Knight, has expired. It is possible that this declaration is a trifle too sweeping, for there may be other foreign offices contemplating admission to California in defiance of the law. They cannot reasonably expect to ever deal with a plastic official who will ignore objectionable provisions of the law, as Mr. Knight did when he issued a certificate to the Sun Fire Office.

Mr. Knight's administration of the affairs of his office, from the beginning to the end of his term, has been a long and forcible argument against State supervision of insurance. He has proved, so far as California is concerned, that the office may be dispensed with as a useless annoyance to the companies, without service to the people as contemplated by the legislature, and an unjustifiable element in the cost of insurance. He has proved that the office of Insurance Commissioner in California is merely a sinecure reward of active partisanship.

What did Mr. Knight ever do to earn his very liberal salary? His services have been confined to the arduous task of drawing his pay, and to flagrantly disobeying the law to accommodate the necessities of a wealthy corporation. All the office work has been done by his experienced deputy. Mr. Knight went into the office knowing nothing of insurance, and he has ably maintained that overwhelming ignorance ever since. Insurance Commissioners of other States inform themselves of the first principles

of sound underwriting, and encourage legislation designed to protect the people from fraudulent and unsound companies. Mr. Knight has done neither. When an effort was being made to secure the enactment of a reasonable law regulating business co-operatives and suppressing the worst frauds—a law not nearly so strict as similar laws in Eastern States—Mr. Knight did nothing and said nothing. As a politician he was afraid to say anything. That he did not care a fig for the responsible duties of his position was amply shown in the case of the Universal Accident Indemnity Co. of San Francisco. Convincing evidence of the fraudulent character of that enterprise was submitted to him, and he was asked to investigate, but he declined to do so. It was not until the company had been exposed repeatedly by the press, led by the *COAST REVIEW*, that he was finally induced to make the investigation which should have been made at the outset. Had he performed his duty in this instance, thousands of dollars would have been saved to many duped holders of stock and policies.

Mr. Knight's term of office expired on the 3d of the present month. His successor, Mr. Wadsworth, has received his commission, but on account of the absence of Governor Stoneman his bonds have not been approved as we go to press. It has been strongly hinted that Mr. Knight would not gracefully turn over the office to his legally appointed successor, but we are not prepared to believe, under all the circumstances connected with his securing the office and his administration of the same, that he will make an effort to longer administer the duties of an office which he, for four years, has so conspicuously misadministered.

Good-bye.

Acknowledgements: Report of the Governor of Washington Territory, for which we are indebted to W. H. Taylor & Co., Seattle; *The Insurance Broker*, by the *Spectator Co.*, Sixth Annual Report of the Board of Railroad Commissioners of California; Texas, Colorado, Minnesota and Illinois, and other advance reports.

### The Sun Fire Office.

As stated in the March COAST REVIEW, Messrs. Hutchinson & Mann have been appointed general agents for the Pacific Coast of the Sun Fire Office of London. The statement of the United States branch of the company appears elsewhere. The assets of the branch are \$1,712,361.22, and the liabilities, \$1,184,211.34, leaving a surplus of \$528,149.95. The Sun was established in 1710, and is therefore 176 years old. In addition to the resources of the U. S. branch of the company, the managers claim large assets in the possession of the home office, and the individual liability of shareholders.

The Sun entered the United States about three years ago, and established its headquarters at Watertown, N. Y., with U. S. Gilbert as resident manager. It is now represented in several States. Hutchinson & Mann, the Pacific Coast representatives, established an agency in this city fifteen years ago, and have built up a large and profitable business—the largest of any agency on the Coast. They represent, besides the Sun of London, the Continental of New York and a number of other American and foreign fire and marine companies. Under the energetic management of these gentlemen the Sun Fire Office will doubtless early occupy a prominent position in this field.

### The People's Accident Association.

#### A SAN FRANCISCO FRAUD WITH NUMEROUS UNPAID CLAIMS.

There is in this city a hat-passer called the "People's," formerly of Petaluma, or the successor of a Petaluma scheme. It has heretofore done an accident business, but is now writing life certificates. One Walter Price, of Universal Benevolent Association infamy, was until recently a manager of the People's, but he had to step down and out because he excelled his associates in light-fingered work. Whoever may now be making money out of the enterprise, it is certain that the claimants are not. Peter Erickson, of Boca, Cal., has an unpaid claim for \$115. He was hurt last August, and his

claim was recognized in October as a just one. Geo. Mixer, of Red Bluff, Cal., has an unpaid claim for \$140. He was hurt in August, 1885, and filed his claim on September 10th. The validity of his claim was not disputed, but he has not yet seen the color of the People's coin, and he never will. D. L. Bowers, of Michigan Bluffs, Cal., is another of the many victims of this San Francisco fraud. He has an unpaid claim for about \$260. On January 25, 1886, the association asked for "an extension of thirty days," and of course they got it, but the time expired, and thirty more days were taken without asking. Mr. Bowers is still waiting.

### Specimen Claims.

A New York adjuster says: An adjuster doesn't want to hear any man called honest till he has seen that man have a loss to a fire insurance company. I guess we see more of the dark side of human nature than any other class of men. It is positively wonderful what men of good repute will try to do when they are dealing with an insurance company. One of the most prominent merchants of Brooklyn claimed \$5,000 on a loss he had, and afterwards was glad to settle for \$162. We afterwards found that he had made \$100 out of it; yet he was a high-toned, educated man. A very prominent merchant in Fulton street, Brooklyn, claimed \$23,000 for smoke damage, and yet was highly elated when he got \$211, for, as he afterwards boasted, he had cleared \$100 profit. We have impudent claims like that by the score. Israel Cohen, of 18 Clinton street, New York, was a specimen. During the excitement of a fire in an adjoining building, a picture fell from the wall, and striking a chair in its descent, got a hole knocked through it. Cohen wanted \$160, and I told him I would give him \$1.50 or replace the picture. He protested that the picture was by one of the old masters and was very valuable, and brought up his friend, a neighboring pawn-broker, to corroborate him. The pawn-broker, to his astonishment, advised him to take the \$1.50, "for," said he, "you only paid me 37 cents for it."



# SUN FIRE OFFICE

Of London, England.

ESTABLISHED A. D. 1710.

*The Oldest Purely Fire Insurance Company in the World.*

**IN ACTIVE BUSINESS EXISTENCE**  
**176 Years.**

U. S. GILBERT, Manager for the United States,  
WATERTOWN, N. Y.

Trustees in New York:

GEO. D. MORGAN,

HENRY M. ALEXANDER,

JNO. J. McCOOK.

In addition to its U. S. assets, the unlimited resources of the Society, together with the individual responsibility of its wealthy shareholders, is of such immense proportions as to entitle it to the fullest trust and confidence.

The Sun Fire Office does the largest business in the London district of any company transacting business in that field.

## Statement of the United States Branch.

JANUARY, 1886.

### ASSETS.

U. S. Bonds .....	\$ 422,125 00
Bonds and Mortgages.....	1,014,000 00
Real Estate.....	20,000 00
Cash Items.....	30,118 50
Accrued Interest .....	10,965 71
Net Premiums in course of collection.....	216,052 08
<b>TOTAL ASSETS.....</b>	<b>\$1,712,361.29</b>

### LIABILITIES.

Unpaid Losses.....	\$ 105,225 00
Unearned Prem. Fund.....	1,078,986 34
<b>SURPLUS.....</b>	<b>\$1,184,211 34</b>
	<b>\$528,149 95</b>

**HUTCHINSON & MANN**

*General Agents Pacific Department,*

322 & 324 California St. & 302, 304 & 306 Sansome St., S F.



## FIRES.

February 12, Mayfield, Cal., saloon:	
Sun, S. F.....	\$1,500
February 10, Red Bluff, Cal., frame building and furniture:	
Commercial, S. F.....	\$222
February 16, Sprague, W. T. frame building and contents:	
Commercial, S. F.....	\$1,724
February 5, Butte City, M. T., frame building:	
Commercial, S. F.....	\$600
March 3, Ogden, Utah, dwelling:	
American, Phila.....	2,450
March 6, Pierce county, W. T., school-house:	
Phenix, Brooklyn.....	\$300
March 10, Walla Walla, W. T., barn and contents:	
Fire Association, Phila.....	\$604
March 11, King county, W. T., dwelling:	
Phenix, Brooklyn.....	\$400
March 7, Motesano, W. T., saloon:	
Home & Phenix.....	\$828
March 7, Glendale, M. T., hotel and furniture:	
Phenix, London.....	\$900
Howard.....	900
American, Phila.....	839
March 6, Missoula, M. T., hotel and dwelling:	
Lion.....	\$1,500
Washington.....	1,000
March 28, Whatcom, W. T., merchandise and fixtures:	
Liverpool & London & Globe.....	\$2,000
March 10, Spokane Falls, W. T., dwelling and barn:	
Orient.....	\$250
March 24, Helena, M. T., dwelling:	
Lion.....	\$1,200
March 10, Salem, Or., furniture and dwelling:	
Royal, Norwich Union & Lancashire.....	\$900
March 7, Livingsta, M. T., brick building:	
Home & Phenix.....	\$250
Home Mutual.....	250
Scottish Union.....	500
National, Hartford.....	500
March 9, Portland, Or., dwelling and furniture:	
North British & Mercantile.....	\$1,700

March 20, Glendine, M. T., frame building and saloon:

Home Mutual.....	\$1,550
Union, S. F.....	250

March 1, Irving, Or., wheat in warehouse:

Home Mutual.....	\$1,100
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March 11, East Portland, Or., dwelling and furniture:

North British & Mercantile.....	\$400
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March 14, Spokane Falls, W. T., frame restaurant building:

Liverpool & London & Globe.....	\$236
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March 24, Deer Lodge, M. T., frame building:

Scottish Union.....	\$500
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March 22, Walla Walla, W. T., dwelling and furniture:

Commercial Union.....	\$688
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March 19, Dayton, W. T., dwelling:

Connecticut.....	\$1,000
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March 15, McCoy, Or., general merchandise and frame lodge building:

Home Mutual.....	\$2,500
German-American.....	1,100

March 1, Cheney, W. T., hotel and contents:

Scottish Union.....	\$500
Concordia.....	1,000
Clinton.....	1,000
Springfield.....	1,600
Svea.....	2,000
National, Hartford.....	500
National, Ireland.....	1,000
New Orleans.....	2,000
Continental.....	1,000
Fire Ins. Ass'n, London.....	1,000
Commercial Union.....	1,000
Fire Ins. Ass'n, London.....	946
New Orleans.....	946
Continental.....	946

Total.....\$14,838

March 28, San Joaquin county, Cal., dwelling:

Home & Phenix.....	\$900
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March 20, near Haywards, Cal., barn:

Home Mutual.....	\$471
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March 29, Los Angeles, Cal., dwelling:

Connecticut.....	\$338
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March 26, Alturas, Cal., dwelling and furniture:

North British & Mercantile.....	\$2,000
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March 18, Chico, Cal., general merchandise:

Svea.....	\$700
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March 7, Los Angeles, Cal., butchers shop: Svea.....	\$550
March 26, Grass Valley, Cal., dwelling and barn: Home Mutual.....	\$1,300
March 19, Fresno, Cal., hotel and frame building: Royal, Norwich Union & Lancashire..... North British & Mercantile.....	\$368 210
March 23, Sonoma county, Cal., dwelling: Germania, N. Y.....	\$500
March 13, Fresno, Cal., general merchan- dise: Union, S. F.....	\$1,150
March 14, Bixby's Landing, Cal., ware- house: Southern California.....	\$1,500
March 27, Nevada City, Cal, dwelling and furniture: National, Ireland..... SunS, F.....	\$100 350
March 10, Fresno, Cal., dwelling and fur- niture: Glens Falls..... State Investment.....	\$548 250
March 31, Red Bluff, Cal., frame dwell- ing and furniture: Liverpool & London & Globe..... North British & Mercantile.....	\$300 500
March 10, Red Bluff, Cal., furniture: Home Mutual.....	\$112
March 1, San Jose, Cal., dwelling: Oakland Home..... Agricultural.....	\$275 325
March 22, Oakland, Cal., dwelling: Lion.....	\$1,600
March 10, Oakland, Cal., furniture stock: Western, S. F.....	\$178
March 8, Oakland, Cal., frame building: Union, S. F.....	\$100
March 14, San Bernardino, Cal., bee hives: Lion.....	\$475
March 23, Yolo county, Cal., barn and contents: Phoenix, Brooklyn.....	\$2,730
March 27, Felton, Cal., cooper shop: Oakland Home.....	\$350
March 6, Oakland, Cal., dwelling: Lion.....	\$250
March 17, Sacramento county, Cal., frame barn: Liverpool & London & Globe.....	\$510

March 27, Folsom, Cal., frame buildings: London & Lancashire..... Manchester..... Caledonian..... Svea..... Pennsylvania, Pittsburgh..... Boatmans..... Fire Ins. Ass'n, London.....	\$166 166 160 425 107 107 134
March 8, Westport, Cal., saloon: Phoenix, Brooklyn.....	\$903
March 28, Stockton, Cal., dwelling and furniture: Washington..... Lion.....	\$900 \$400
March 7, San Francisco, dwelling: State Investment.....	\$235
March 21, San Francisco, dry-goods, etc.: Southern California..... Westchester.....	\$448 300
March 10, San Francisco, frame building: State Investment.....	\$250
March 9, San Francisco, tannery: North German..... Prussian National..... Svea..... Fire Insurance Association, London.....	\$700 700 700 700
March 1, San Francisco, frame dwelling: Liverpool & London & Globe.....	\$750
March 29, San Francisco, cigars and to- bacco: Merchants, N. J..... Springfield.....	\$361 361
March 25, San Francisco, cigars and to- bacco: North German.....	\$1,026
March 11, San Francisco, machinery and shop: Oakland Home..... Traders..... Phoenix, London..... Niagara..... New Zealand..... New Hampshire..... Union, N. Z..... Sun, S. F..... Williamsburg City..... Amazon..... Pacific..... American Central.....	\$590 197 589 394 1,673 394 788 393 393 394 394 394
Total.....	\$6,493
March 12, San Francisco, dwelling and furniture: Anglo-Nevada.....	\$160
March 20, Oakland, Cal., household fur- niture: Howard.....	\$602

## March 7, San Francisco, general fire:

Scottish Union .....	\$3,000
State Investment .....	1,365
Hamburg-Bremen .....	1,500
Western, S. F. ....	1,000
Liverpool & London & Globe.....	1,009
Lion.....	1,696
Helvetia.....	2,000
Washington.....	1,696
Orient.....	1,696
New Zealand.....	8,298
Etna.....	2,000
Insurance Company of North America.....	200
North German.....	1,500
Connecticut.....	710
Sun, S. F. ....	1,019
Williamsburg City.....	468
Pacific.....	500
Total.....	\$29,657

## March 7, San Francisco, dwelling:

Anglo-Nevada.....	\$1,050
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## March 31, Orange, Cal., frame school-house:

Firemans Fund.....	\$5,060
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## March 9, Tacoma, W. T., frame dwelling and contents:

Fire Ins. Ass'n, London.....	\$853
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## March 12, Santa Clara, Cal., farm property:

Fire Ins. Ass'n, London.....	\$959
Agricultural.....	959

## March 6, Fresno, Cal., general fire:

Firemans Fund.....	\$683
Providence-Washington .....	282

## March 12, Napa, Cal., frame dwelling:

Firemans Fund.....	\$700
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## March 25, Sacramento county, Cal., building and hay:

California.....	\$780
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## March 29, Santa Clara county, Cal., building and stock:

California.....	\$600
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## March 30, Fowler, Cal., dwelling:

Firemans Fund.....	\$500
Grand Total.....	\$78,601

## CHIPS.

—A resolution has passed the Connecticut legislature, relieving the Charter Oak Insurance Company for three years from the law which requires the insurance commissioner to apply for a receiver in case of 25 per cent. impairment. The resolution leaves such action discretionary with the commissioner.

—S. H. Kinney, of Kinney & Butler, Kansas City, Mo., visited this Coast last month.

—J. W. Irons has been appointed agent of the Anglo-Nevada Assurance Corporation for the Territory of Utah, with headquarters at Salt Lake City.

—G. A. Steel & Co. have been appointed agents of the Anglo-Nevada Assurance Corporation for Oregon and Washington Territory, with headquarters at Portland, Or.

—The largest annuity ever sold on the Pacific Coast was disposed of a few days ago by the Pacific Mutual Life Insurance Company. The annuity was for \$1,850, and the premium paid the company was \$10,000. The annuitant is 75 years old.

—Among the insurance men from the interior who visited San Francisco last month were Geo. Perley, of Modesto; M. S. Niswander, Gilroy; T. N. Mount, of Mount, Bake & Co., Napa, and Geo. C. Young, of Petaluma.

—Frank Lock, U. S. manager of the Fire Insurance Association of London, who has been in this city for the past month, returned to New York on the 10th inst., after effecting the transfer of the Coast agency of his company.

—Samuel J. Pipkin, Manager of the Atlas Assurance Company of London, is visiting California in the interest of his excellent company. Mr. Pipkin is well pleased with our State. During his visit here arrangements will probably be made whereby the business of his company will be extended to the States and Territories of the Pacific.

—A Catholic priest entered the office of the Hartford Insurance Company in this city, recently, and laid \$175 upon the counter. It was "conscience money," but nothing of the penitent could be learned, further than that he was a Los Angeles county man. Investigation showed that such a loss had never been incurred in Los Angeles county by the Hartford. The sum is so small that it is not probable any man's conscience was so acute that he admitted to himself it was an overpayment. Did he send more through the clerical channel, or was it simply a first payment of the amount he robbed the company of?

—Jos. C. Jennings & Co. have been appointed city agents for the London & Lancashire and the Caledonian.

—The directors of the Commercial Union Assurance Company of London, at a recent meeting, resolved to recommend to the shareholders to pay a dividend of 10 per cent., free of income tax, on the paid-up capital of the company, making, with the interim dividend paid in September last, 15 per cent. for the year.

—In the case of *Allman v. The Citizens Ins. Co.*, of St. Louis, tried in the Superior Court of Alameda County, Cal., the jury returned a verdict for the plaintiff. The suit was one of several brought by Allman for the recovery of \$15,000 insurance on his dwelling and furniture in Oakland, burned in 1885. It is understood that the case will be taken to a higher court. The defendant companies gathered evidence which strongly pointed to arson, but it is always difficult to convict, so long as the companies are known to have a pecuniary interest in the conviction. The case is a peculiar one, for the companies rely chiefly on the testimony of a woman who has sued the plaintiff for seduction. This fact is adroitly used to the detriment of the defendant's cause.

—Suit was recently brought in the U. S. Circuit Court for North Carolina by the Connecticut Mutual to cancel a policy on the ground that the insured had fallen into intemperate habits. A clause provided that if the insured should become so far intemperate as to impair his health, the policy should become void. The Court admitted that the insured had impaired his health by intemperate habits, but held that the company could not cancel the policy. He (the Court) was bound by precedent, and no case can be cited in which a policy has been set aside during the life of a subject on the ground of forfeiture occurring after the making of the contract. The company may set up the breach when it is sued. The remedy is before a jury. As the insured may reform and live out the ordinary expectation of life, it was held to be not a proper case for the exercise of discretionary power to order a cancellation of the policy, even if such a power exists.

—The vanity of the President of the Mutual Reserve Fund Life Association of New York must be temporarily surfeited. His picture has not appeared (at the association's expense) for a week.

—It is useless for insurance companies to attempt to convict a plaintiff of arson. Juries, as a rule, are not in the least influenced by testimony which would ordinarily convict, because such testimony has been adduced to evade the payment of a claim. When the prosecution has no pecuniary interests in conviction, the arson charge may stick. Get the policy first, and then prosecute for arson, and the average jury will yield to considerations of law and justice.

—The office of the city department of the California Ins. Co., ground floor, has recently been subjected to a thorough reconstruction and refitting. A handsome plate-glass partition separates the office proper from the supply department. City Agent Donnell is cosily ensconced in front, where he rejoices in an abundance of light, and pleasant and convenient surroundings. The walls have been handsomely decorated, and other improvements, ornamental and useful have been made. The city department of the Union of New Zealand, and the general agency of the Westchester, share this office with the city department of the California. The marine department of the California has been removed up stairs.

—It is stated that wood can be rendered practically fire-proof by first drying it thoroughly and then coating it with common whitewash. The coat of white shells off, but it is still a difficult matter to burn wood which has been coated with whitening or even limewash. A mixture of borax and sulphate of magnesia is also recommended. To prepare this, use three pounds of borax and 2½ pounds of sulphate of magnesia, with 20 pounds of water. The action of the mixture depends on the formation of a borate of magnesia insoluble in water, hot or cold, which surrounds or impregnates the fibres of the wood, and thus renders the development of the combustible gases and the spread of flame very difficult.



—Secretary Mason of the Security Ins. Co. of New Haven, Conn., is visiting the Coast in the interest of his company.

—The substantial and popular New England Mutual Life Ins. Co. of Boston makes its usual creditable showing in the last annual report. Considerable gains were made in premiums, total income, policies issued and revived, whole number of policies, amount insured, assets and surplus. The gain in insurance during the year was \$2,005,604, and the gain in assets was over three-quarters of a million. The assets are \$17,831,141, the net surplus is \$3,482,309, and the whole amount insured is \$64,634,400. The number of policies in force is 22,065. The premium income last year was \$2,111,431, and the payments to policyholders were \$2,092,285, or within a fraction of the amount received from policyholders. The excess of income over disbursements was \$504,668. In this field the New England Mutual, under the management of Henry K. Field, did its full share of the general business. The report of the California business shows noteworthy gains.

—The British government doesn't believe in encouraging life insurance. The man who generously insures his life for the benefit of his dependents, or prudently does it for his own benefit, must pay a penalty for his prudence or generosity, although by insuring his life he is diminishing the sum total of poverty and accordingly reducing the burdens of government. The tax ranges from one penny to half a pound. On a \$5,000 policy he must, or what is the same thing, his company must, affix a stamp of the value of \$2.40, and for every \$5,000 or fractional part thereof he must add another \$2.40 (ten shillings) stamp. On annuity bonds the stamp tax is twelve cents per \$25. If exceeding \$1,500, \$1.20 per every \$250. Fire, accident and plate-glass policies are taxed two cents each. Marine policies are taxed: for a voyage, six cents for every \$500 or fractional part; for time, not exceeding six months, the same, and twice as much if exceeding six months and not exceeding twelve months; for a bill of lading, twelve cents, and for a charter party, the same.

—C. F. Mullins has been quite ill for the past ten days with malarial fever.

—The office of the North-German Ins. Co. has been removed to the room just vacated by the Prussian National, at 325 California Street.

—A defaulter whose fidelity had been guaranteed by the Fidelity and Casualty Co. of New York, was under surveillance in Canada for a year, and was followed to and arrested in Denver. He has been sentenced to four years and ten months in the Albany place for penitents. Surety insurance strengthens the hands of justice.

—The *Travelers Record* for February, following in the slow footsteps of our daily contemporaries, contains an account of the Universal Accident Indemnity Co. swindle, which was first exposed in the *COAST REVIEW*. It is a curious fact that the *Record* does not name the company. We do not know whether the omission was purposely made, but we do know that agents of the Travelers in Colorado and elsewhere are using the article against the Pacific Mutual's accident department. Attention is called to the article by the agent, in such a way as to create the impression that the company referred to may be the Pacific Mutual.

—Under the open policy the property owner may obtain full protection against loss. Under the valued policy no company could prudently write insurance to the full value of the insured property. A margin would need be left liberal enough to surely cover any excess in original valuation, and also the possible deterioration in value within the insurance term. While, in administration, the valued plan might tend in some degree to abate the conceded mischief of over-insurance (for which another and better remedy should be found) it would, as surely, create a popular complaint of under-insurance. A judgment entitled to respect, if not conclusive, has already been pronounced upon the relative merits of the two plans. With free and equal chance of competition for public favor and business approval, the valued fire policy has yielded place to the open indemnity form everywhere.—*Tarbox*.

—J. M. Sears, manager of the Cincinnati agency of the California Insurance company, is visiting friends in San Francisco.

—The notorious Harry Prindle is soliciting for the Mutual Reserve Fund Life Association in Contra Costa County at the present writing. Well, the fitness of things is observed in the connection of this swindler with any hat-passer. Prindle has at last found his proper and congenial place.

—The neatest chart that has yet reached us is that of the *Standard* of Boston. It is bound, and handsomely printed on good paper. Another excellent and convenient chart is that of the *Insurance World* of Pittsburg, which is much improved over its annual predecessors. There are no better charts.

—Several exchanges are publishing a table of fire insurance results by States, in which California is credited with \$1,882,964, premiums, and \$862,783 losses. These figures represent the business of the foreign companies in this State. The first compiler of the table—the *Investigator*, we presume—took these figures of the foreign companies from the February COAST REVIEW, and the other enterprising journals copied. The correct figures as reported by the COAST REVIEW are: Premiums, \$4,541,268; losses, \$2,033,215. The difference is great.

—The assets of the Connecticut Mutual increased about a million dollars last year, the figures for December 31st being \$54,383,650. The surplus also gained, and is now \$7,757,138. The whole number of policies in force is 62,995, a slight gain. The whole amount insured is \$151,301,588. The falling off was nominal. The policies issued and revived were 3,750, to 3,213 for the previous year. Since organized (in 1846) the Connecticut Mutual has received \$192,576,624.48 for premiums, interest, rent, etc., and has returned to policy-holders, paid for taxes and expenses, and now holds in trust for policy-holders, that sum to a cent. The expenses from date of organization have been only 8.32 per cent. of income. In this field, J. S. Wilkins, the general agent who has been in charge for the past year, is doing a good business, and one that is full of promise of future gains.

—The new building of the Northwestern Mutual Life Ins. Co. in Milwaukee is nearly completed. It will be lighted with Edison incandescent electric lamps. All the offices in the building have combined chandeliers for electric light or gas as is preferred. There will be two elevators in the building, with a speed of 400 feet a minute.

—Franz Jacoby and Alexander Badlam have formed a co-partnership under the firm name of Alexander Badlam & Co., representing the Prussian National Ins. Co. on this Coast. Mr. Badlam is well known in this city. The office has been removed upstairs, to the room formerly occupied by the Home and Phoenix, at 323 California street.

—Col. D. B. Bush, special with the Home Mutual Ins. Co., has been transferred from the "San Francisco office" to Portland, Or., where he will assume charge of the Oregon branch of the company, which includes Oregon, Washington Territory, and a portion of Idaho. J. A. Brumsey, the former manager of the Oregon branch of the Home Mutual, has resigned his position, and for the present retired from the insurance business.

—The assets of the great western life insurance company, the Northwestern Mutual of Milwaukee, Wisconsin, advanced nearly \$2,000,000 last year, and corresponding gains were made in premiums, number of policies issued, and other departments. Nearly \$12,000,000 insurance was gained during the year, and the number of policies in force advanced over 4,000. The excess of income over expenditures was \$1,615,253, also a gain. The premium income in 1885 was \$3,785,045, and the amount returned to policy-holders, \$2,637,794. The ratio of expenses and taxes to income (12.7 per cent.) was greatly reduced. The other prominent figures of the annual report of the Northwestern Mutual Life are: Assets, \$24,265,257; surplus, \$5,517,328; whole amount insured, \$110,710,861; whole number of policies in force, 50,100; policies issued and revived last year, 9,014, a gain of over 2,000. On this Coast the company does a large business. The general agent for California is R. W. Abbott.

—E. P. Farnsworth and O. N. Hall returned last week from a three months' trip in the North Pacific States and Territories, where they have been attending to the interests of their respective companies.

—The April *Overland* contains "Certain Phases of the Chinese Question," by John F. Miller; "Future Influences of China," by Gen. McDowell; "On the Trail of Geronimo;" "The Land Question Stated;" "The Taxation of Land;" "Leaves from a '49 Ledger;" "A Shoemaker's Contribution to the Chinese Discussion," etc.

—The Mutual Reserve Fund Life Association of New York resisted death claims to the amount of \$124,000 in 1885. The association's certificate of insurance favors litigation, and that in part accounts for the resistance of 13 per cent. of its death claims. An increasing death rate, however, is mainly responsible for the extraordinary litigiousness of the Mutual Reserve Fund.

—The statement of the American Steam Boiler Ins. Co., filed with the New York Insurance Department, showed the possession of \$304,336.53 assets on December 31, 1885. In charging the reserve liability, the Department computed it the same as the fire companies, or 50 per cent., and made no allowance for inspection expenses, which are about 30 per cent., and are fully earned. This would leave the unearned premium, which is the reserve liability, only 20 per cent. The loss percentage of the steam boiler companies is so much lower than that of fire companies that the 50 per cent. reserve of the latter is manifestly too high for the former. There was therefore merely an apparent impairment of capital of the American Steam Boiler Ins. Co. of \$63,010.61. This technical impairment, however, has been far more than made good by an increase of cash capital to \$500,000. The income of the company in 1885 was \$163,396, and the expenditures were \$129,035, leaving a net balance of \$34,361. The business of the American is increasing rapidly. In this field, where it is represented by Brown, Craig & Co., the company is doing a good business and cultivating a demand for this new and useful variety of underwriting.

—The Equitable Life's building in New York is to be enlarged by an extensive addition. The reconstructed building will include the entire frontage on Broadway of the block between Cedar and Pine streets.

—According to the Texas Commissioner's report for 1885 thirty-six of the sixty companies operating in the Lone Star State incurred losses in excess of their premium receipts. The losses incurred were \$2,170,359; losses paid, \$2,029,074; premiums received, \$1,936,241. The marine losses were \$94,312, and the premiums, \$119,186. Texas has but one local company.

—Alfred James, Vice-President of the Northwestern National Ins. Co. of Milwaukee, is visiting San Francisco. After carefully surveying the situation, from an underwriter's point of view, President James has decided to discontinue writing in this field. The business of the company on this Coast will be wound up by Messrs. Smith & Moody. All losses will be adjusted and paid by these gentlemen as heretofore. The Northwestern National has been doing business here for many years, and has always met its obligations promptly. It is to be regretted that so conservative a company with so excellent a record should withdraw from this field.

—Alexander M. Deane, an energetic, popular and widely known life and accident insurance underwriter, of Williamsport, Penn., has been appointed general manager of the Eastern department of the Pacific Mutual Life Insurance Co. of this city. Mr. Deane was actively connected with the Travelers' accident business for fifteen years, until two years ago, with headquarters at Williamsport, and operating in the Middle and Western States. He also did special work for the company, creating and supervising agencies. Seven years ago Mr. Deane established the Travelers agency in San Francisco, and remained six months, when he placed Thomas Bennet in charge. The interests of the life and accident departments of the Pacific Mutual in the East will be thoroughly "pushed" by Mr. Deane and the corps of energetic workers whom he will speedily bring into the service of the company.



—M. W. Fechheimer, President of the Oregon F. & M. Ins. Co., died on the 13th ult.

—There were 155 boiler explosions in the United States during 1885, causing the death of 220 persons and the injury of 288. First in frequency of explosions are saw-mills.

—In our Portland letter last month it was stated that the agent of the Western in that city was a defaulter, and that his bondsmen were being sued. The agent denies any defalcation, and declares that if suit is instituted his sureties will contest the claim. There is evidently a slight difference of opinion.

—The Pennsylvania Railway Co.'s assessment life insurance scheme, by which all employees were compelled to insure, has failed. The men realized that the company's object was to relieve itself from any obligation, and so they refused to "join," threatening a strike as the alternative.

—The Board of Directors of the Anglo-Nevada Assurance Corporation have elected G. L. Brander President, vice W. G. Harrison, resigned. Mr. Brander is Vice-President of the Bank of Nevada and President of the Nevada Warehouse and Dock Co. He is one of our prominent and influential business men, and his selection as President of the Anglo-Nevada will doubtless advance the interests of that corporation.

—The Mutual Reserve Fund Life Association of New York builds up its membership by swooping in the members of defunct co-operatives. In a circular dated March 18, 1886, the former members of the squelched Home Mutual Aid Association of Massachusetts are invited to walk into the parlor of the Mutual Reserve Fund spider, on "special terms" for "only a small payment," with no mortuary assessments guaranteed for several months, or until July 1st. Why shouldn't any outsider have the same "special terms" and freedom from assessments for several months? Have the late double assessments necessitated these Cheap John methods of getting "trade?" Perhaps the association needs a host of new members to clear the books of the \$390,750 of unpaid claims.

—Ed. E. Potter, Wm. Macdonald, Frank Bangs, Edward Brown, and A. J. Wetzlar, have gone East.

—Superintendent Maxwell, of the New York Insurance Department, has placed us under obligations for a copy of his life report for 1885. It is issued earlier than usual, and abounds in more than the usual statistical information.

—The Pacific Coast agency of the Security Ins. Co. of New Haven, Conn., has been transferred from Wm. Macdonald to Hoyt & Wickes. The Security has been for several years represented in this field, where it has done a limited business. We believe it is the design of the managers to do a more general business on the Coast hereafter.

—The Glens Falls Ins. Co. has instructed its agents not to write on "farm and other residence property for a longer term than three years while the present low rates of premium prevail." Only four annual rates for five years insurance on choice residence property, in cases of special convenience, will be considered.

—In the annual report of the Massachusetts Insurance Commissioner the cost of insurance is discussed, and the conclusion is that while retrenchment in other respects may be possible, the principal extravagance is in the getting of business, and not in the doing of it. The chief offender is therefore the broker, "and his equivalent, the superfluous agent on commission." The broker is declared to be superfluous and burdensome, however reputable, and there is no excuse for his existence, as the ordinary negotiation of insurance calls for no special knowledge and skill. The abuse of brokerage is so bad that the Commissioner thinks the State may properly interpose for the public protection. Whoever prefers to save the commission by dealing with the company directly should have the privilege, he thinks. Thus the insured could obtain his insurance at legitimate cost, which, of course, includes the reasonable expense of local agencies for the public convenience. Perhaps legislation is the only way to limit brokerage fees.

—Rates in Chicago are being advanced.

—Frank Livesay, of London, has formed a co-partnership with Wm. Watson Bramwell, under the firm name of Frank Livesay & Co., Agents and Brokers, 42 Cornhill.

—Uriah B. Wilson, of Chamberlin, Packard & Wilson, of Denver, and his son, Chas. F. Wilson, of Cobb, Winne & Co, also of Denver, Colo., visited this city last month and "took in the sights." Both firms represent a number of first-class companies, and are among the leading insurance agencies of the Rocky Mountain States and Territories.

—The Providence-Washington has issued interesting fac-simile copies of three of the early policies issued respectively by the Providence, the Washington, and the Providence-Washington. One was issued in 1799, another in 1800, and the third in 1822. The two older policies were on marine risks, and the rate was 15 and 16 per cent. respectively.

—T. T. Frith, special agent with J. M. Berkey & Co. of Denver, visited this city last month. These gentlemen have been appointed general agents of the Anglo-Nevada Assurance Corporation for Colorado, Wyoming, New Mexico, Kansas, and Nebraska, and their agency of the Union of this city has been extended to Wyoming and New Mexico.

—"When I lived in Kansas," said a Detroit, who was telling stories in an insurance office a few days ago, "I insured my house with an agent against fire. Along came another agent who insured against lightning, and I took that in. In a few days a chap called on me who insured against cyclones, and I struck a bargain with him. The next caller insured against water spouts and explosions, and I thought I might as well encourage him."

"A house couldn't be much safer than that," remarked one of the listeners.

"And yet I lost it inside of six months."

"How could it be?"

"Well, there came a freshet in the river and house, barn, fences, haystacks and all went sailing down stream. The agent who insured against freshets got there just one day too late."—*Detroit Free Press.*

—The life policies in force December 31, 1885, in Colorado was 3,498, against 3,248 the year previous. The Equitable Life leads in that State.

—H. J. Grant, of Salt Lake City, Utah, made a flying trip to San Francisco last month. He informs us that he has about completed the organization of a local fire insurance company at Salt Lake, with a paid-up capital of \$100,000. Mr. Grant is to be the President. For the present the new company will confine its operations to the Territory.

—The Hartford Steam Boiler Inspection and Insurance Company now has \$584,184.13 assets, and a net surplus of \$111,516.79. Since the organization of the company 312,241 visits of inspection have been made, 632,313 boilers have been inspected, 350,948 defects discovered, and 4,165 boilers condemned. Of the defects discovered, 71,541 were dangerous. Undoubtedly, boiler insurance has been the means of reducing the number of boiler explosions, and of saving many lives. The Hartford Steam Boiler Ins Co. is represented in this field by Messrs. Hutchinson & Mann.

—The Manhattan Life Insurance Co. made gains all along the line for 1885. The assets advanced, the whole amount insured increased about half a million, and the business of the year shows a gain. The ratio of expenses to income was reduced, also. The salient figures of the annual report of the company are: Assets, \$11,155,827; surplus, \$2,253,675; premiums, \$1,038,633; total receipts, \$1,589,984; paid policy-holders, \$1,177,729, or more than was received from policy-holders; total disbursements, \$1,490,092, leaving \$99,892 as the excess of receipts. These figures all are favorable to the company and satisfactory to policy-holders, and prove that the Manhattan is in line with the forward movement in American life insurance. General Agent Landers' business and personal qualities are an ample guarantee that the Pacific Coast department will make a highly creditable showing in the next report, now that he has "put his hand to the plough." So far, the new business is a happy augury for the future.

—Isaac Munson, President of the Agricultural Ins. Co. of Watertown, N. Y., died last month.

—In the statement of the California Ins. Co., printed in the February COAST REVIEW, "200 shares Bank of California, \$44,880.00, should have read "272 shares."

—Auditor Brown of Iowa has been reinstated. He was persuaded to temporarily abdicate by a company of soldiers who delivered a very forcible argument with a battering ram directed against the door of Mr. Brown's office. Mr. B.'s victory is a triumph of civil methods.

—The Mutual Life Ins. Co., in its *Weekly Statement*, prints a map of the United States, "showing the distribution of the great family fund in 1885." The Pacific Coast's share of the "family fund" was as follows: Oregon, \$17,282; Idaho, \$13,818; Nevada, \$27,548; Arizona, \$25,464; California, \$376,967; total Pacific Coast, \$461,079. The Rocky Mountain group received: Montana, \$18,241; Wyoming, \$7,047; Colorado, \$17,781; New Mexico, \$15,225.

—In the January number of the COAST REVIEW appeared a story of a faithful watchman. As the story was a true one, "Panned-out Camp" was substituted for the real name of the mining camp where this extraordinary watchman was employed. The *Insurance Age* plagiarizes the anecdote with the boldness of a pirate, and changes quartz-mill to saw-mill, and Panned-out Camp to Pine Camp. We wonder if the *Age* gets all its "crisp paragraphs" in this fashion?

—A clause in a policy of insurance provided as follows: "If the insured property be sold or transferred, or any change take place in title or possession, except by succession by reason of the death of the insured, whether by legal process or judicial decree or voluntary transfer or conveyance, or if this policy shall be assigned before a loss without the consent of the company indorsed hereon, then, and in every such case, this policy shall be void." In the case of *Griffey v. N. Y. Central Ins. Co.*, the New York Court of Appeals held that this provision was insufficient to include a transfer of the policy by way of collateral security.

—Mantle & Warren have formed a co-partnership at Butte City, M. T.

—The burning of the Schumacher oat-meal mills at Akron, Ohio, entailed a loss of nearly \$1,000,000, with only \$113,500 insurance.

—The marine business of Massachusetts yielded \$2,745,278 in premiums last year. The losses incurred were \$1,852,236, or about 69 per cent.

—Illinois has only seven joint-stock companies, with an aggregate paid-up capital of only \$1,623,800, and admitted assets of less than five millions. Their premium income from the home or State business was one-tenth of the aggregate, or \$816,277, a loss ratio of 43.7 per cent. In this State the local companies do one-fourth of the home business.

—We learn from Mr. W. H. Frazier, manager of the United Fire Inspection of Philadelphia and New York, that twelve hundred manufacturing properties have been inspected and registered, and are now being inspected and reported upon every six months, new ones being placed under the system at the rate of six hundred per year, all of which are kept in book form for ready reference. The successful operation of this system of inspection has more than fulfilled its early promise.

—John Landers, the general agent of the Manhattan Life Ins. Co. of New York, has removed his office to 507 Montgomery street, northwest corner of Sacramento. This office is the first occupied by the Pacific Coast department of the company, twenty-two years ago, and if old associations and influences count for anything, we may expect to see the Coast business of the company regain its old-time proportions. Mr. Landers, having fully recovered his health, will hereafter give his undivided attention to the interests of the Manhattan. He has been associated with the company for a quarter of a century, and its general agent for twenty-two years, and during that time has forwarded to the parent office about \$3,500,000 in premiums. His long service in this field has earned him the title of the pioneer in Pacific Coast life underwriting.



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**ASSOCIATION**  
(LIMITED)

OF LONDON, ENGLAND.

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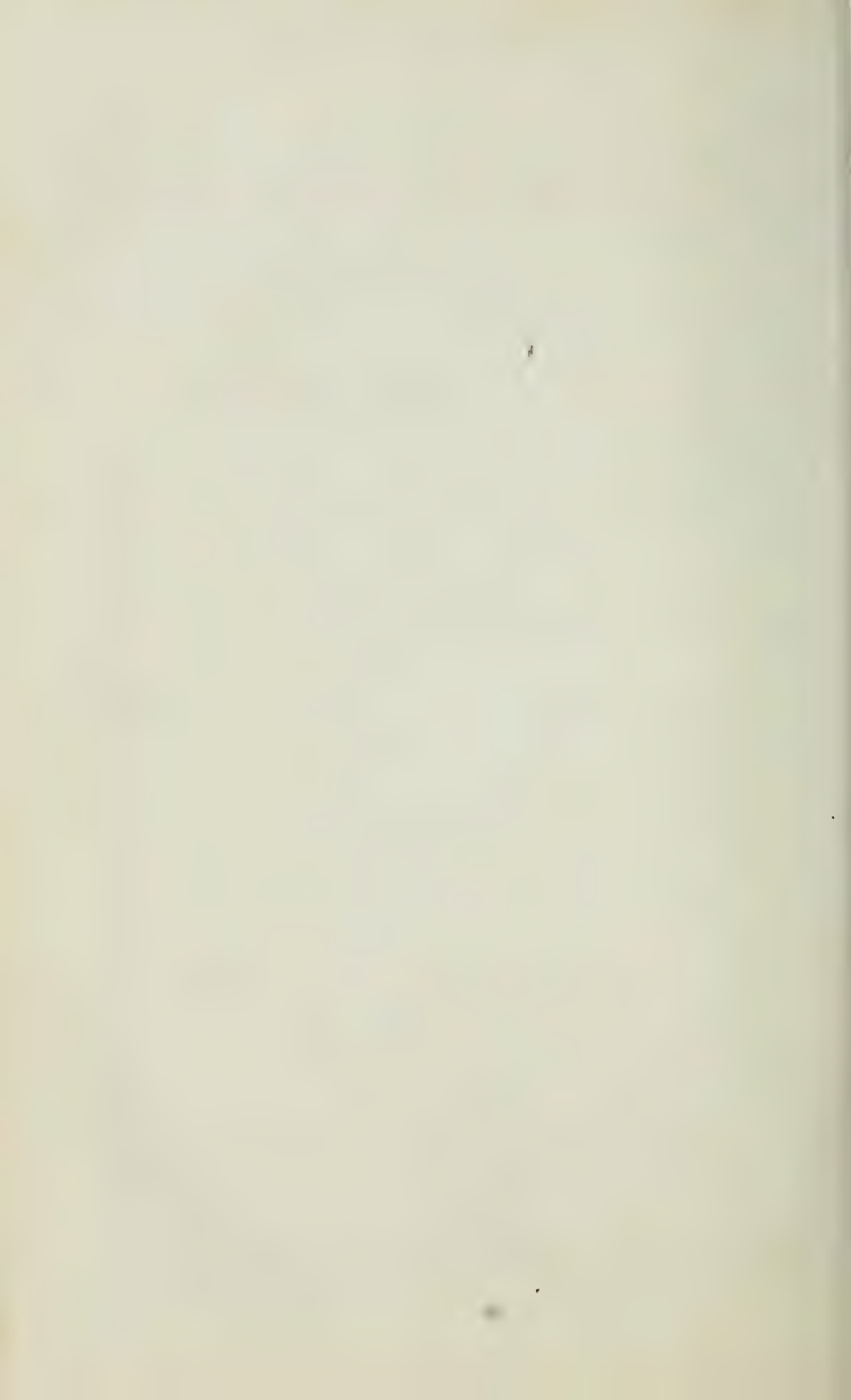
PACIFIC COAST DEPARTMENT,

423 CALIFORNIA ST., S. F.

*Address all Communications*

*"The Fire Insurance Association of England,"*

*P. O. Box 2138, San Francisco, Cal.*



—Underwriting traits—Short rates.

—The California crop prospects are excellent.

—The loss ratio of Cleveland, O., for the past five years was 87 per cent.; of Toledo, O., for the same period, 86 per cent.

—Washington Territory, according to a census taken in 1885, has 129,438 population, and an assessed property value of \$50,508,484.

—Chicago underwriters and the fire department have united in the sensible effort to have the middle row of iron shutters in all buildings left open.

—The contribution of the agents of the Phenix of Brooklyn to the Grant monument fund amounted to \$1,929.80, and the company added \$1,000.

—The Fidelity & Casualty Co. of New York issued 11,849 guarantee bonds last year. The premium receipts of the surety branch were \$174,337, against \$120,467 the year previous.

—The Washington Life Insurance Co., of New York, increased its assets a half million dollars last year. The exact figures are \$7,804,408. The surplus, \$951,959, gained some \$140,000. Over five million of new insurance was written. The policies in force now number 15,385, insuring \$33,956,324. The management of this excellent company have a wide reputation for conservative practices and personal honor.

—In settling with an agent at the end of the first year for his contingent commissions it would be better perhaps, in order to distribute the profits over a series of years, to keep back the contingent price on say one-third of the business, adding the expenses and taxes to the losses. At the end of the second year, one-third of the business for that year would be deducted, and the deduction of the first year would be added, and so on for each year. If this plan was not satisfactory, a plan might be adopted to pay say 10 per cent. flat commission on the business, 10 per cent. at the end of the year, and the balance at the end of five years, with the privilege given to the agent to dispose of his interest in the business if he so elect.—*Chicago Argus.*

—Gen. Hancock carried a \$10,000 policy on his life.

—The New York companies transact about 29 per cent. of the fire insurance business of the United States.

—Heavy losses at the Galveston fire has induced the New Orleans Insurance Association to withdraw from California and most of the Northern States, for the present.

—A Life Underwriters' Association has been organized in Pittsburg. Twenty-eight companies are represented. Boston first in this good work, Pittsburg second, and—shall San Francisco be next?

—The Illinois business yielded \$8,158,539 in fire premiums last year. The losses incurred were \$4,539,380, or 56.7 per cent. The foreign companies transacted one-fifth of the aggregate business, with a loss ratio of 54.1 per cent.

—Ben. Ward, for some years special with the North British & Mercantile and the German American on this Coast, has resigned his position and removed to Los Angeles, where he will engage in the real estate and insurance business.

—In the COAST REVIEW FEBRUARY SUPPLEMENT the losses for the Scottish Union & National were given in the State of California at \$31,650, and we would explain that this was the gross loss of the company. The net loss for 1885 in California, for the Scottish Union and National, after deducting the amounts collected of re-insuring companies, was only \$18,000.

—According to the Salt Lake *Herald* of March 9, hand grenades proved a failure at a fire in that city. A quantity of papers and some light wooden boxes in a room in the Deseret Bank building were discovered in flames. Two dozen grenades were broken in the burning mass "without in any degree checking the flames." The hose that has been hanging in the hall ever since the building was erected was next used, but being rotten it burst as soon as the water was turned on. Finally the humble but useful bucket was employed, and the fire was quickly extinguished. A defective flue and a flying spark were the authors of the mischief.



—In a table in the March number of the COAST REVIEW the loss ratio of the New Zealand was given as 83 instead of 33. The excuse that an "8" looks like a "3" did not save the proof-reader's life. The compositor leaped from the window and escaped with a broken leg. The reliability of this journal must be maintained at any cost.

—Stephen English, editor and proprietor of the *Insurance Times*, died last month. Mr. English was a County Clare Irishman. He was a faulty, irascible, kindly, generous, quarrelsome, friendly, fighting, loyal, impulsive, resolute, contradictory character, and gave to his journal the imprint of his peculiar individuality.

# SUN FIRE OFFICE

OF LONDON, ENGLAND.

(ESTABLISHED A. D. 1710.)

U. S. GILBERT, Manager for the United States, Watertown, N. Y.

THE OLDEST PURELY FIRE INSURANCE COMPANY IN THE WORLD.

In Active Business Existence 176 Years.

In addition to its United States Assets, the Society holds large resources of the parent office. With these and the individual liability of its wealthy shareholders the SUN FIRE OFFICE offers indemnity unsurpassed by any other company.

Assets in the United States.....	\$1,712,361 29
Liabilities in United States.....	1,184,211 34
Net Surplus.....	\$528,149 95

HUTCHINSON & MANN, General Agents Pacific Department.  
322 and 324 California St., San Francisco.

## ACCIDENT DEPARTMENT

THE PACIFIC MUTUAL LIFE INSURANCE COMPANY

OF CALIFORNIA.

PRINCIPAL OFFICE, 418 California Street,

San Francisco, Cal.

ORGANIZED A. D. 1867.

ASSETS, December 31, 1885 - - - - - \$1,339,591 76

*Under the Accident Policy issued by this Company, there is no restriction on travel.*

*The insured can reside anywhere in the civilized portions of the World.*

*The insured being disabled in a more hazardous occupation than the one named in policy, is paid pro rata according to premium.*

*The insured sustaining such accidental injuries as to occasion the loss of both Eyes or two limbs, will be paid one-half the face of the Policy.*

*The limit of time allowed on account of non-fatal injuries is extended to THIRTY WEEKS.*

*All technical or obscure conditions are eliminated or defined.*

*All just and equitable claims will be promptly paid upon filing of sufficient and satisfactory proofs.*

*Injuries received in attempting to save human life are covered.*

*Rates the same as those of other standard American accident companies. Policy provisions more liberal and less technical. Are NON-FORFEITABLE and WORLD WIDE.*

Capable and Reliable Agents Wanted.

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# THE COAST REVIEW

A MONTHLY JOURNAL

DEVOTED TO

FIRE, MARINE, LIFE AND ACCIDENT INSURANCE.

J. G. EDWARDS, PROPRIETOR,

320 Sansome St. (Room 13), San Francisco, Cal.

(Take the Elevator.)

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## PUBLISHER'S NOTICE.

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Subscriptions may begin with the January number, if so desired. Unless otherwise ordered, however, subscriptions will begin with the current issue.

Postage, when not sent from this office, is 2 cents per copy.

Correspondence invited. Write on one side of paper only. Be specially careful with names and dates.

Our readers are requested to send us court decisions and newspaper clippings relating to underwriting interests.

Communications, new advertisements and changes in old advertisements should be handed in before the 1st of the month, or as soon after the 1st as possible.

The COAST REVIEW will be mailed about the 8th of the month.

Advertising rates made known on application.

## Digest of Recent Insurance Decisions.

### FIRE.

ARBITRATION.—*Urigh v. Williamsburgh City Fire Ins. Co.*, N. Y. C. of A., Feb. 9, 1886.—*Insurance Law Journal*, April.—Where there was evidence tending to show that the defendant acted in bad faith in refusing to go on with an arbitration or to secure a speedy appraisal, the question should have been submitted to a jury whether there was such a breach of good faith as relieved the plaintiff from the obligations of the arbitration clause. If an arbitration fails through the fault of one of the parties, the party not in fault is not obligated to enter into a new arbitration, but may proceed at once to his remedy at law.

WAIVER OF TORT—RECOVERY OF MONEY PAID ON FALSE PROOFS OF LOSS—*Western Assurance Co. v. Towle*, S. C., Dec. 23, 1885.—Action was brought for the recovery of money alleged to have been paid on a fraudulent proof of loss. Defendant moved to dismiss the amended complaint, because action was begun as upon a contract and the amended complaint sounds in tort. Overruled and exceptions taken. *Held*, That when the amended complaint appar-

ently sets out the same cause of action as the original, it will not be set aside as if the cause were different. *Held*, That plaintiff may waive the tort, and recover upon an implied contract, when money or property has been obtained by the defendant from the plaintiff by tortious acts. Money obtained by false representations may be recovered on an implied contract to return the excess, instead of on an action in tort. In such an implied contract the admission of a partner is evidence against the firm. But the recovery must be limited to the excess paid over actual loss, unless a wrongful act of insured caused the fire.

**POLICY VITIATED TO EXTENT OF MORTGAGE.**—*Calvert v. Ohio Farmer's Ins. Co.*; Ind. Sr. C., April 5, 1886.—A general clause voided policy on sale, encumbrance or transfer, by mortgage or otherwise of property, without written consent, or if said property or any part thereof should be levied on, or if other insurance was taken. After policy was issued, plaintiff mortgaged a plow and cultivator included in the property insured. Afterwards, a portion of the property, including the plow, was burned. The special term of court allowed the plaintiff for the value of all the property destroyed, except the plow, worth five dollars. *Held*, That the judgment of the special term was correct. The policy must be so construed that it may be enforced as to property not alienated or encumbered.

The policy in case digested above also insured one Amanda Calvert's "hay, grain, fodder and seed." A clause forbid sale, etc. without consent. *Held*, That if a mortgage on a part of the insured vitiated the policy as to all the property insured, Amanda could not, without vitiating the policy as to herself, sell a bushel of wheat or a peck of clover seed unless she first obtained consent of the defendant company.

**OFFER TO REBUILD.**—*Glover v. Greenwich Ins. Co.*, N. Y. C. of A., Jan. 19, 1886.—The policy provided that the loss should be payable sixty days after due notice and proofs were received by the insurers. It also provided that it should be optional with the

company to repair or rebuild the property within a reasonable time, giving notice of such intention within sixty days after the completion of the proofs therein required. *Held*, that "the proofs herein required" are the proofs of loss *unconditionally required* according to the terms of the policy, and not the optional subsequent proceedings provided for by the policy for ascertaining the amount of a loss and which may or may not be required in any given case, and that the option of the company to repair or rebuild terminated when the right of action accrued to the insured by the expiration of the sixty day period of limitation.

**SPARKS FROM LOCOMOTIVE--NEGLIGENCE--QUESTION OF INSURANCE.**—*Jones v. Michigan Central Ry. Co.*, Mich. S. C., Jan. 28, 1886. Plaintiff alleged that his barn was burned in consequence of the negligence of the defendant in allowing the fire to pass from right of way, it having caught in the grass from falling sparks thrown from a passing engine. The jury gave plaintiff a verdict. Defendant appealed, assigning error in the lower court in refusing instructions asked by the defendant and denying the right to inquire whether the property destroyed was insured. *Held*, That a railroad company must keep its right of way reasonably clear of dangerous combustible matter, and if a fire occurs in consequence of a negligent failure so to do, and damages therefrom ensue to the property of another, the company will be liable therefor. Further, that the negligent failure to remove or destroy such dangerous combustible matter is always a question for the jury; and when it is made to appear by the plaintiff's evidence that the fire originated from either of the causes mentioned in the statute, the burden is then cast upon the company to show itself free from negligence in the matter. Whether the property was insured or not will not relieve a wrong doer from liability in case of damages resulting from its negligence.

#### LIFE.

**ASSIGNMENT TO WIFE--CREDITOR'S INTEREST.**—*Elliott v. Bryan*; Md. S. C., Dec. 4, 1885.—The Maryland statute provides that



a man may insure his life for the sole benefit of his wife, free from the claims of his relatives or creditors. Action was brought against Mrs. E. by her husband's creditors on the ground that at the time of the transfer or assignment of the policy he was in debt to plaintiff in a large sum and was unable to pay the same. The assignment, for this reason, was charged as fraudulent and void, and prayer was made for the interposition of equity, etc. *Held*, That where the creditors could not otherwise obtain payment, any attempt to settle on the wife would be met by the interposing statute, which secures it to her. That it would have been unnecessary to exempt the proceeds of insurance from the claims of creditors in case the husband's property was sufficient to pay them. *Held*, That the statute allows a husband to insure his life for the benefit of his wife, or to assign an existing policy of insurance to her. Such policy is entirely free from any lien of his creditors, and they have no interest in it. And the fact that at the time of such insurance or assignment he had creditors whom he was unable to pay has no significance.

RISK DOES NOT BEGIN BEFORE PAYMENT OF PREMIUM.—*Canning v. Farquhar*, Eng. C. of A.—In December, 1883, a person made an application for insurance to a London insurance company. Subsequently in the same month the application was accepted by the company, with the notification, however, that there was to be no insurance until the first premium was paid. In the month following, and before the first premium had been paid, the applicant was injured by an accident and died within ten days. During his illness a friend of his went to the office of the insurance company, notified the officers of the accident and tendered the premium. This the officers refused to accept on the ground that, as the circumstances had changed since the acceptance of the proposal, they were under no obligation to grant the policy. The company was sustained in the position by the English Court of Appeal (*Canning v. Farquhar*), when the master of the rolls held that the beginning of the risk was the

payment of the premium, and that since at that time the life was not good, the defendant had a right to refuse to make the contract.

CANCELLATION FOR INTEMPERATE HABITS. *Connecticut Mutual v. Samuel Bear*; U. S. C. C., N. C. Dist., Feb. 4, 1886.—Insured fell into intemperate habits, and suit was therefore brought to cancel policy, such habits being, it was claimed, a breach of the contract. *Held*, That the policy contains a condition that "if the insured shall become so far intemperate as to impair his health, it (the policy) shall become and be null and void." I am of the opinion that the assured has become so far intemperate as to impair his health, and the question is, can the company claim the cancellation of the policy? I do not think it can. For a breach of any condition appearing on the face of the policy, this might be done; but where extrinsic evidence must be brought in, the remedy is before a jury. The ordinary course of juries in suits against insurance companies, the force with them of the argument that a company having received the premiums during the life of the assured cannot in justice refuse payment after his death, the convenience of trying while the evidence is easily accessible, the issue of the misconduct of the subject of insurance, are inducements which would be very powerful were I passing upon the question as a legislator. As a judge, I am bound by precedent. No case can be cited in which a policy has been set aside during the life of the subject on the ground of forfeiture occurring after the making of the contract. In theory, if not in practice, the legal remedy is complete. The company may set up the breach when it is sued. And there is a further objection to this suit: If the court could grant the relief asked for, would it come within its discretionary power? Since in a case like this it does not, and in the nature of things cannot, appear that the subject of the insurance may not reform and live out the ordinary expectation of life, in the opinion of the court it is not as a matter of law a proper case for the exercise of the discretionary power to order a cancellation of the policy, even if such power existed."

## ACCIDENT.

INSANE SUICIDE AN ACCIDENT. -- *Crandal v. Accident Ins. Co. of N. A.; U. S. C. C., N. D., Ill., March 27, 1886.*—Policy provided that the insurance should not extend to death or disability caused, wholly or in part, by bodily infirmities or disease, or by suicide or self-inflicted injuries. The insured, Edward M. Crandal, hanged himself, and a jury found that he was insane at the time of his death.

*Held*, That the suicide of assured was not a voluntary, rational act. He could not exercise his natural powers of volition, and thereby control his judgment upon the act he was about to commit. The physical violence, therefore, which terminated his life, was the same as if it had come upon him from sources outside of himself. It was force emanating, not from the brain and hand of Edward M. Crandal, but force which was uncontrollable so far as he was concerned. The means employed to produce death were external and violent. Were they not also in a just and true sense accidental, if the deceased was so far bereft of his reasoning faculties, that his act was not the result of his will, or of a voluntary operation of his mind? If, in consequence of his condition of irresponsibility, the violence which he inflicted upon himself was the same as if it had operated upon him from without, why was not the death an accident, within the definition of the term as given by Bouvier, namely, "an event which, under the circumstances, is unusual and unexpected by the person to whom it happens. The happening of an event without the concurrence of the will of the person by whose agency it was caused."

In *Schneider v. Ins. Co., 58 Wis., 14*, it was alleged in the pleading that while the assured, who was traveling in a railway car, "was in a dazed and unconscious condition of mind, and not knowing or realizing what he was doing, he involuntarily arose from his seat and walked unconsciously to the platform of the car, and fell therefrom to the ground;" and it was held that this constituted a good cause of action upon a policy of accident insurance. Here, it is true, the injury resulted from falling from the

car; but since the moving cause was the involuntary act of leaving the seat and walking to the platform, the case suggests the inquiry if, for example, a person in a fit of somnambulism or in delirium, not knowing or realizing what he is doing, involuntarily inflicts injury upon himself, that is, by means of his own hand—and death ensues, is not such an injury as much the result of accident, as if, in the same circumstances, the injury resulted from other external forces, such as falling from the platform of a moving train?

In *Hill v. Ins. Co., 22 Hun., 193*, insured took poison by mistake and died suddenly. The Court said that death occurred through natural means. In *Horn v. Life Ins. Co., 7 Jur. (N. S.), 673*, it was held, in passing upon the question of the effect of suicide on the liability of the company, that such a death was just as much an accident as if the assured had fallen from the top of a house. In *Breasted v. Farmers' L. & T. Co., 8 N. Y., 306*, it was observed by the Court that "a death by accident and a death by the party's own hand, when deprived of reason, stand on principle in the same category. In both cases the act is done without a controlling mind." To maintain the proposition that because his own hand constituted the violent means employed by the insured in taking his life, those means were not external and accidental, it is necessary to take a distinction between force emanating from the insane person himself, and force operating independently from without. I can hardly think there is ground for such a distinction. The injury and the death seem equally fortuitous in both cases, for in neither case is there a concurring will which prompts the act. An insane man burns his own insured property. The insurer is nevertheless liable for the loss, unless its contract expressly exempts it from liability, even in case of such a burning; this, for the reason that the act was not voluntary, or done with the assent, procurement or design of the assured as a rational person: *Korow v. Continental Ins. Co., 57 Wis., 56*. Although, in the darkness that enveloped his mind, the hand of Edward M. Crandal adjusted the fatal noose, the act was no more attributable to his voluntary agency than

# PENNSYLVANIA

*FIRE INSURANCE COMPANY,*

*OF PHILADELPHIA.*

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Organized. . . . . A. D. 1825

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Assets, . . . . .	\$2,552,616 81
Liabilities, . . . . .	1,095,418 04
Capital, . . . . .	400,000 00
Net Surplus, . . . . .	1,057,198 77

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Book Value of Stock. 364 Per cent.

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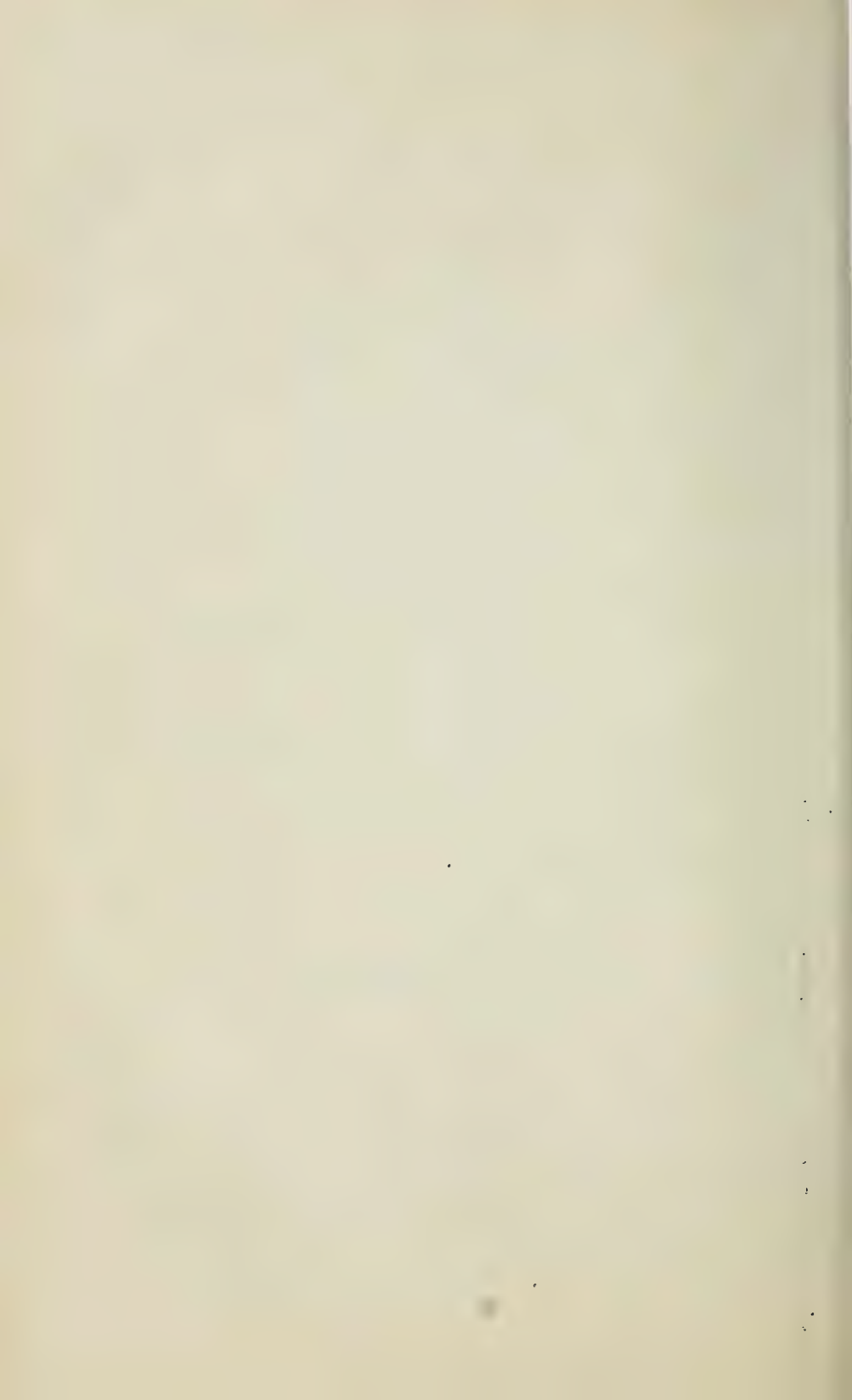
Pacific Dep't, 429 California Street, S. F.

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BROWN, CRAIG & CO.

General Agents.





if, as a sane man walking the street in the darkness of night, the same fatality, without co-operation on his part or even consciousness of danger, had overtaken him. Therefore it would seem that in the one case as in the other, the death would be attributable to casualty. Additional force is given to this view of the question, when we consider that in cases arising upon life insurance policies decided by the Supreme Court of the United States, it has been repeatedly held that if the insured, while in the possession of his ordinary reasoning faculties, from any motive, intentionally takes his own life, such death is within the proviso on the subject of suicide, and the insurer is not liable. On the contrary, if the insured takes his life when insane, then the death cannot be said to be "by his own hand," and the insurer is liable. And so it would seem to follow that, as in the latter instance, the act of self-destruction is not the act of the party, it must be regarded in a case like the present as brought about by means which are accidental, because not the result of the concurring will of the insured.

It is to be further observed that in the policy in suit the company declares that it incurs no liability in case of death from suicide or self-inflicted injuries. Thus it appears that the insurer took into consideration the possibility that the insured might voluntarily and with deliberate intent—that is, as a sane person—take his life, and in such case the death was not to be regarded as covered by the contract, because not effected by natural means. This is the import of this clause in the policy. But no provision is made against suicide when insane. And this also adds force to the view that the contract is fairly open to the construction contended for by the plaintiff. By the term "self-inflicted injuries," as used in the policy, was not meant injuries inflicted by the insured upon himself when insane, but injuries self-inflicted when capable of rational, voluntary action.

On the whole, it is held that the death of the insured resulted from injuries effected through accidental and violent means, within the meaning of the policy in suit.

Defendant contended that the death of

Crandal was caused by bodily infirmities or disease, namely, insanity. It is observable that the policy does not declare that the insurance shall extend to any bodily injury "happening directly or indirectly in consequence of disease;" but only that it shall not extend "to death or disability which may have been caused wholly or in part by bodily infirmities or disease." This is the limit of liability to be considered.

It is true that in cases upon life policies, death by an insane suicide is regarded by the Courts as death by disease. As it is expressed in *Eastbrook v. the Union Mut. Life Ins. Co.*, 54 Me., 224, "Death by disease is provided for by the policy. Insanity is a disease. Death which is the result of insanity, is death by disease." It is to be borne in mind, however, that this and similar observations are made in a class of cases where the insurance is not special but general, and where the protection which it is intended to afford covers all diseases and disorders, other than those which may be specially excepted, which result in death. In the case of a life policy it may not matter whether the disease of insanity or the particular act of self-destruction be regarded as the immediate cause of death. It is the life which is insured, and liability arises when death occurs, unless the death is within one of the specially excepted cases enumerated in the policy. But the question we have here is: What, under the provisions of a policy which covers accidents only, was the cause of death? Was the death caused by disease, or by the act of violence? The cases most nearly in point upon the question here in judgment, are *Reynolds v. Accidental Ins. Co.*, 22 Law Times Rep., N. S., 820; *Winspear v. The Accident Ins. Co. (Limited)*, 6 L. Rep. (Q. B. Div.), 42; *Lawrence v. The Accidental Ins. Co. (Limited)*, 7 L. Rep. (Q. B. Div.), 216; and *Scheffer v. R. R. Co.*, 105 U. S., 249.

In the *Reynolds* case it was held that the fact of the deceased falling into the water from sudden insensibility was an accident. In the *Winspear* case it was argued that there would have been no drowning had the insured not had an epileptic fit; that the death was an injury caused by the fit; just as it is argued that *Crandal's* death was

from an injury caused by insanity; but the English Chief Justice held that Winspear's death was an accident. The Court concludes as follows:

Although it may be said that Crandal would not have committed suicide had he not been insane, and so that the insanity was a promoting cause of death, upon the reasoning and authority of the cases referred to, the conclusion seems unavoidable that the act of self-destruction must be regarded, within the meaning of the policy, as the true and proximate cause of his death. Quite against my first impressions when the case was submitted, I am constrained to hold, upon deliberate consideration, that the plaintiff is entitled to recover.

#### ASSESSMENT.

**SUICIDE.**—*Reilly v. Hartford Life and Annuity Ins. Co., U. S. C. C., E. D. Mo.*—The certificate provided that if a member should die by "self-destruction, felonious or otherwise, the certificate shall be null and void." The assured shot himself, and the company declined to pay the claim. *Held*, That where liability is denied, "if the death is caused by the assured, sane or insane," there can be no recovery, unless he committed the act accidentally. *Held*, That the terms "feloniously or otherwise," are equivalent to the terms "sane or insane."

#### Ancient Order of United Workmen.

INCREASING DEATH RATE IN CALIFORNIA—  
THE ORDER AT A STAND STILL—A DECLINE IMMINENT.

The annual increase of the Ancient Order of United Workmen in this State has been diminishing since January 1, 1881, and the death rate has been as steadily advancing. These statements will not surprise the reader who understands the elementary principle of successful life insurance, nor the reader who has confidence in the warnings of this journal. The increase of membership in 1880, in California, was 2,815. Last year the increase was only 610. The death rate in the former year was 6.49; in the last year the death rate was 9.43 per 1,000.

During the first six months of 1885 the

number of members fell off 193. The leaders were alarmed, and their dreams were troubled with visions of a loss of profitable offices. Herculean efforts to gain new members were made throughout the State. The "father" of the order was imported and put on exhibition. The press teemed with praise of the order. Speakers were employed to visit every section and gush for this benevolent organization. New lodges were organized, and the old lodges vied with the new in extraordinary endeavors to attract new members—the "new blood" so essential to the vitality of this very youthful ancient order. And the result of all this advertising, and gush, and bluster, and fuss and feathers, and new lodges, and Father Upchurch's visit, was the pitiful gain of 610 members.

What will the order do this year? The managers cannot repeat the demagogy of last year, and the influence of their factitious methods cannot be enduring. The conclusion is that the turning point in the history of the order in this State has been reached. It has about gained the top of the hill, and will soon go down, down, down, because the death rate will go on increasing.

The following table shows the regular and striking decrease in the annual increase of the order in this State in recent years. The figures are official.

	No. Members.	Increase.	Deaths.	Death Rate.
Jan. 1, 1881..	11,132	2,815	72	6.49
Jan. 1, 1882..	13,943	2,811	95	6.83
Jan. 1, 1883..	15,432	1,489	132	8.57
Jan. 1, 1884..	16,391	959	130	7.92
Jan. 1, 1885..	17,106	715	142	8.30
Jan. 1, 1886..	17,716	610	167	9.43

These figures are full of meaning. The death rate has increased 50 per cent. The order has virtually ceased to grow in California. Within a year or two the membership will begin to grow less, and the ratio of decrease will increase from year to year, and the death rate will increase accordingly. This has been the experience of the order in all the older States. When all the new territory is thoroughly "worked up"—and that time is near—the order at large will cease to grow, fatal embarrassment will follow, and all claims will be scaled or left unpaid. The handwriting on the wall is so



plain that no man can now become a member with any reasonable hope that his certificate will be worth anything at the expiration of ten years. And who does not expect to live ten years?

### The Mutual Benefit Life Ins. Co.

#### THE NEW PERFECTED POLICY.

The Mutual Benefit Life Insurance Co. of Newark, N. J., has just issued a new policy, styled "the perfected policy." Under its provisions,\* after the second year, there are no restrictions on residence or occupation, no forfeiture in case of lapse, and the policy is incontestable except for fraud. There are other liberal features of the Mutual Benefit policy. Any error in stating the age of the insured will be adjusted by paying such amount as the premiums paid would purchase at the table rate. The company will lend the policyholder one-half of the reserve, upon consignment of the policy as collateral security. With each policy there is a printed table showing the various sums the company will lend, or the paid-up policy that will be issued, or the extension of the insurance, according to the number of years' premiums paid. Liberal cash surrender values are also granted.

The new policy of the Mutual Benefit is appropriately described as "clear, brief, just, liberal." It is in line with the tendency of all American life companies toward all practicable liberality and the extreme of simplicity. It is free from technicalities and verbiage, direct, simple and clear to the meanest understanding. We print, in full, a copy of this new policy in this month's *COAST REVIEW*, and are confident that every reader will read it, for it is brief and instructive.

The Mutual Benefit Life Insurance Co. has \$39,635,528.20 assets and a net surplus of \$5,450,862.31. It was organized in 1845, and while its reputation for conservatism has eclipsed its reputation for enterprise, it has made greater progress, real and relative, than many of its more enterprising contemporaries. Since organization the company's interest receipts have been \$20,000,000 in excess of expenses. It has received \$107,145,599 from policyhold-

ers, has returned to them \$83,124,059, has paid all expenses, and now holds in trust for them, in round numbers, \$40,000,000, to pay maturing contracts. In other words, the profits to policyholders have been \$20,000,000. The annual statement shows gains in assets, surplus, premiums and policies. The insurance gained last year was \$3,573,264. The whole amount insured is now about \$140,000,000. The excess of income over disbursements last year was \$1,074,954. The management expenses were only 10 per cent. of the receipts. The ratio of claims resisted for ten years has been less than two per cent.

On the Pacific Coast, where the company is represented by James Munsell, Jr., the business shows a uniform degree of growth.

### The Pennsylvania Fire Insurance Co.

The "60th" which precedes the "annual statement" of this Philadelphia company reminds us that, as insurance companies go, it is a venerable institution, and its sixty years carry their due prestige. The Pennsylvania Fire was organized in 1825. It has a cash capital of \$400,000, assets to the amount of \$2,552,617, and a handsome net surplus of \$1,057,199. The premium income last year was \$910,236, a gain of \$74,737. The loss ratio was below the average. The net surplus increased over \$150,000, and the assets gained \$173,699. Within the past few years the company has made rapid and regular forward strides, as the following figures attest:

	Assets	Premiums
January 1, 1886.....	\$2,552,617	\$910,236
" 1885.....	2,378,918	835,499
" 1884.....	2,322,822	814,574
" 1883.....	2,301,946	721,817
" 1882.....	2,227,616	654,291
" 1881.....	2,131,039	601,409

The Pennsylvania Fire is a substantial and prosperous company, with a growing surplus alone sufficient to pay all liabilities to policyholders, and with a long and enviable record running back to the early days of the republic. These are the elements of popularity.

The Pacific Coast agency was recently transferred to Brown, Craig & Co. The

Pacific Department embraces California, Oregon, Nevada and Washington, Idaho and Arizona Territories.

### Decline of Two Fraternal Societies.

The Knights of Honor incurred a loss of 3,106 in membership last year. The total membership is now less than it was on December 31, 1882.

The Knights of Pythias lost 9,338, or one-third of its total membership last year. The number of members is now less than it was many years ago.

The following figures present the growth and decline of these two orders since December 31, 1880. They point unerringly to the doom in store for them. Other and larger fraternal societies show similar signs of decay, although young and scarcely tested by any large death rate. We predict that the Ancient Order of United Workmen will within a year or two reach the limit of its growth, and follow the Knights of Honor in the downward path. Men who want reliable life insurance should be warned by these impressive figures, for they surely prove the inability of a failing society to discharge its obligations. It is a self-evident proposition, which the officers themselves admit, that it is "new blood" alone which enables the societies to keep assessments within a reasonable limit. A decline in membership is invariably followed by an increase of the death rate. It is fatuitous to believe that any society can always maintain a growth. There is a limit. These two societies, and a number of others, have reached that limit, and the Ancient Order of United Workmen and the Order of Chosen Friends are rapidly nearing the time when they, too, must take a "back track." The field is being so thoroughly worked by a thousand hat-passers that the supply of "new blood" is nearly exhausted.

Here are the figures:

#### KNIGHTS OF HONOR.

Dec. 31, 1880	Membership	100,234		
" " 1881	"	120,191	Gain	19,957
" " 1882	"	125,526	"	5,335
" " 1883	"	128,309	"	2,783
" " 1884	"	128,601	"	292
" " 1885	"	125,495	Loss	3,106

#### KNIGHTS OF PYTHIAS.

Dec. 31, 1880	Membership	23,140		
" " 1881	"	25,354	Gain	2,214
" " 1882	"	26,848	"	1,494
" " 1883	"	26,977	"	129
" " 1884	"	26,489	Loss	488
" " 1885	"	17,151	"	9,338

### Law Notes.

The Texas Supreme Court recently decided that a railroad company could not be considered as the proximate cause of death, in the case of a girl who was burned to death while fighting fire started by sparks from defendant's locomotives. The fire spread from the right of way to the land of plaintiff, the mother of deceased. It was held that the negligence charged against the company was not the proximate cause of the girl's death, and that the consequences were too remote.

In a case recently decided by the Supreme Court of New Mexico, *Rodey v. Traveler's Insurance Company*, the plaintiff recovered under an accident insurance policy for an injury to the ear which happened to him while diving for sport.

Some gall-full creditors of a Massachusetts man brought a bill in equity to reach and apply the proceeds of a life policy taken out for the benefit of his wife and children. The bill alleged that the contract of insurance was in furtherance of a conspiracy between the insured and his wife to defraud said creditors, and that the premiums were paid out of money fraudulently obtained from them. If these Shylocks had sued for the premiums only, and not for the entire proceeds of the policy, their claim would have been a fair one; but the effort to deprive the widow of a sum of money which was in no sense theirs, and was not payable to their debtor, reveals that soulless greed which is popularly ascribed to money-lenders. The United States Circuit Court at Boston decided that these cormorant creditors could recover only an amount equal to the premiums so paid, with interest thereon. Speaking as one not skilled in law, we cannot understand how the charge of conspiracy to defraud could have been reasonably

urged in this case. The debtor could have easily concealed the amount of the premiums, or invested the same in various ways without fear of his creditors. The purchase of the policy was no more a conspiracy to defraud than the purchase of a barrel of flour.

On the 6th ult. the U. S. Circuit Court in Boston decided, in *Crossley v. the Connecticut Fire Ins. Co.*, that the appraisal clause in a policy was a collateral contract, and not a condition precedent to an action to recover.

The U. S. Supreme Court last month rendered a decision in the well known Armstrong case, and reverses the verdict of a jury in a lower court and remands the case for a new trial. Armstrong was insured for \$10,000, and assigned the policy to one Hunter, who murdered the insured and was subsequently executed. Suit was brought by Armstrong's widow for the amount of the policy. The defense was that Hunter obtained the policy with intent to defraud the company. The jury, "of course," returned a verdict against the company. The opinion reversing their verdict was delivered by Justice Field.

An English Court recently ruled that agents have no property whatever in their books, and have, therefore, no right to sell them. Customers are customers of the company, and not of the agents, and any agreements to sell the books are illegal, and any sums paid for them are recoverable.

A member of a finance committee of an insurance company borrowed money on securities which he held as trustee. It was held (in *Bowditch et al v. New England Mutual Life Ins. Co.*, Mass. S. C., March 1886) that his knowledge of the trust was not notice of said trust to the company. *Held*, also, that the contract between the officer and the company was not void, and the defendant could retain the bonds given as security, although the statute provided that, "No member of a committee of a domestic insurance company, who is charged with the duty of investing its

funds, shall borrow the same, or directly or indirectly be liable for money borrowed of the company."

The case of *Denman v. the Scottish Widows' Fund* attracted much attention in England recently. The action was to recover £3,000 which, it was alleged, had been lent to the deceased, the creditor taking out a policy on her life as security. The defendant resisted payment on the ground of no insurable interest, and the concealing of material facts bearing on the health of the deceased. So clear a case of false answers in the application was made that the jury returned a verdict for the company. The testimony went to show that the plaintiff, who had procured the insurance, was not actually a creditor of the deceased, but having money dealings with her as an agent he was able to make out a very clever case. It is fortunate that there are not more of such attempts to defraud life companies, as the courts have decided that a creditor has an insurable interest in the life of his debtor. A far more ingenious effort to defraud life companies by a pretended debtor was that of Michael Crotty, of San Francisco, an account of which was printed in the April, 1885, number of the *Coast Review*.

### The Coast Review Moves.

The office of the *Coast Review* has been removed to "more commodious quarters." The new office is exactly one inch broader than the old. The removal was undertaken owing to an increase in business — of the firm next door. Many improvements have been made. The walls have been whited, the carpets swept, the tables dusted, the ink-stands and the paste-pot cleaned, the shears sharpened, the editorial table "put to rights," and the office towel laundered. "Want of space" prevents us from noticing many other important changes reflecting with equal credit upon the taste of artisans and the enterprise of the publisher; but we will add that the entire staff — the editor, the statistician, the type-writer, the bookkeeper, the exchange reader, the subscription clerk, and the mailer — all rejoice in better air and the brilliant sunlight which pours



into the apartment through two tolerably clean "plate-glass," "mirror finished" windows. The effect has been electrical. The editor was heard to crack a "chestnut," the bookkeeper has bought a new steel pen, the exchange reader has become rational and now combs his hair, and the messenger boy closes the door without a resentful bang. The office of the COAST REVIEW was formerly at room 14, No. 320 Sansome street. It is now at room 13, No. 320 Sansome street. "Take the elevator."

### Cheap Insurance in Ohio.

THE HAT-PASSERS PAY FROM ONE-TWELFTH TO SEVEN-TENTHS OF A CLAIM.

In 1882 there were 121 assessment companies in Ohio, to which 32 new hat-passers must be added. There are now only 19 left. In four years 134 corporatives have failed in Ohio alone. Take warning, O ye credulous Californians! No longer send good money after bad. The hat-passers are multiplying in this State, and in their fierce and growing competition are digging their own graves. The membership of one of these Ohio hat-passers—one of the oldest—fell from 961 to 560 in one year. Here are figures showing the greatest, the least, and the average sums paid on each \$1,000 of insurance, by ten of the Ohio hat-passers, last year. Nearly all of the remaining did better, however:

	Greatest am't p'd on each \$1,000.	Least am't p'd on each \$1,000.	Average am't p'd on each \$1,000.
Cincinnati Life, Cincinnati.....	\$736.23	\$720.25	\$675.64
Cincinnati Mutual Life, Cincinnati.....	230.00	210.50	220.25
Dayton Life, Dayton.....	800.00	650.50	765.46
Home Mutual Aid, Zanesville.....	700.80	240.00	334.33
Newark Life, Newark.....	175.50	38.75	79.31
Ohio Mutual Aid, Mt. Vernon.....	486.15	175.18	316.37
Phoenix Mutual Aid, Cincinnati.....	444.38	317.50	371.23
Southern Ohio Mutual Benefit, Dayton....	585.00	177.00	281.28
Stauben Mutual Pro- tection, Stauben- ville.....	129.50	77.00	102.89
Western Mutual Pro- tection and Relief, Bellefontaine.....	240.80	80.00	196.35

### Insured Persons per 100,000 Inhabitants.

The number of insured persons per one hundred thousand inhabitants in various countries, is estimated as follows:

Spain.....	10
Portugal.....	10
Russia.....	23
Italy.....	30
France.....	68
Austria.....	80
Germany.....	148
Norway.....	168
Belgium.....	213
Sweden.....	420
Switzerland.....	1,313
United States.....	1,640
England.....	2,659
Total European Continent and England.....	702
Total Continent.....	461
Total Europe and United States.....	881

These figures do not include the co-operative members, who, strictly speaking, are not insured. The total number of insured persons in the countries given is, in round numbers, 3,160,000. This includes about all the insured persons on the globe. As there are 1,750,000,000 adult males living, there seems to be plenty of material left for both regulars and hat-passers.

### Union Mutual Life Ins. Co.

#### NEW CONVERTIBLE POLICY.

The Union Mutual Life Ins. Co. of Portland, Maine, has adopted a new form of policy to be known as the Maine Law Convertible policy. The new features of this policy, as compared with other forms issued by the company, are as follows: If the insured dies within five years, a mortuary dividend of 50 per cent. of the premiums paid, will be paid in addition to the insurance. Annual dividends will be paid after the fifth year, which the insured can apply to increase the policy or to the credit of the premium account. At the fifth anniversary the insured may exchange his policy for a guaranteed cash surrender value. At the eighth anniversary, or at any subsequent anniversary, he may exchange his policy for a guaranteed cash surrender value in addition to the cash value of reversionary additions credited to the policy. These convertible or cash surrender values at the

# Statement of the Condition and Affairs

OF THE

# PRUSSIAN NATIONAL

*Insurance Company of Stettin, Germany.*

**Capital**.....\$2,225,000 00  
Amount of Capital Stock, paid up in Cash .....\$562,500 00

## ASSETS.

Real Estate owned by Company.....\$ 50,000 00  
Loans on Bond and Mortgage.....545,162 50  
Cash Market Value of all Stocks and Bonds owned by Company.....569,443 30  
Amount of Loans secured by pledge of Bonds, Stocks and other marketable securities  
as collateral.....22,250 00  
Cash in Company's Office.....172,373 42  
Cash in Banks.....1,250 00  
Interest due and accrued on all Stocks and Loans.....2,178 31  
Interest due and accrued on Bonds and Mortgages.....24,444 88  
Premiums in due Course of Collection.....110,155 61  
  
**TOTAL ASSETS**.....\$1,497,258 02

## LIABILITIES.

Losses in process of Adjustment or in Suspense.....\$ 20,492 50  
Losses resisted including expenses.....13,407 50  
Gross Premiums on Fire Risks running one year or less, re-insurance fifty per cent.... } 313,370 50  
Gross premiums on Fire Risks running more than one year, re-insurance pro rata.... }  
Gross premiums on Marine and Inland Navigation Risks, re-insurance 100 per cent.....59,740 00  
Gross premiums on Marine Time Risks, re-insurance fifty per cent.....6,055 86  
Interest due and uncalled for.....401 37  
Cash dividends remaining unpaid.....81 00  
All other demands against the company.....37,812 90  
  
**TOTAL LIABILITIES**.....\$451,361 63

## INCOME.

Net Cash actually received for Fire Premiums.....\$ 465,072 07  
Net Cash actually received for Marine Premiums.....30,795 56  
Received for Interest on Bonds and Mortgages; for Interest and Dividends on Bonds,  
Stocks, Loans and from all other sources.....53,946 73  
  
**TOTAL INCOME**.....\$ 549,814 36

## EXPENDITURES.

Net Amount paid for Fire Losses.....\$ 212,691 68  
Net Amount paid for Marine Losses.....12,120 46  
Dividends to Stockholders.....146,250 00  
Paid or allowed for Commission or Brokerage.....103,200 07  
Paid for Salaries, fees and other charges for officers, clerks, etc.....28,475 00  
Paid for State, National and local taxes.....3,655 00  
All other Payments and Expenditures.....12,063 23  
  
**TOTAL EXPENDITURES**.....\$ 518,455 44

ALEX. BADLAM & CO.

*General Managers Pacific Coast Department*

**323 CALIFORNIA STREET, San Francisco.**





several convertible periods are distinctly stated in the policy when issued. The new policy is declared to be "practically world-wide and incontestable in fact as well as in name, after three years." The essential principles of this new convertible policy will be applied to all forms of plain endowment policies now issued by the Union Mutual Life, and no extra rates will be charged. The managers believe that this form of contract will be attractive and popular, and will contribute materially to "six millions for '86."

### The Travelers Insurance Co.

#### A NEW LIFE POLICY ISSUED.

Comparing the annual statement of the Travelers of Hartford, for 1885 with that for the previous year, we find that considerable gains were made in assets, surplus, insurance in force, number of policies and premium income. A synopsis of this statement is: Assets, \$8,417,038, a gain of about \$600,000; surplus to policyholders, \$2,553,474; insurance gained, \$2,477,317; premiums, \$846,298; insurance in force, \$29,806,131. The excess of income over disbursements, \$636,466. These figures relate to the life department. In the accident department, the premiums were \$1,974,339. The disbursements to accident policyholders was \$885,012.34; to life policyholders, \$379,420.13, or a total of \$1,264,433.13. Pacific Coast claimants received nearly \$100,000.

The Travelers issued a new life policy recently, the liberality and simplicity of which will make it very popular. After two years the policy is indefeasible, world-wide, and without any condition or restriction whatever. In case of default in payment of any premium after the third year, the policy remains in force for the term endorsed thereon, or a paid-up policy will be granted instead. At the end of the fifth year, or any subsequent fifth year, the cash value specified in the table of cash surrender values will be paid for the policy, should the holder so elect. This feature enables the insured to dispose of his policy at a fair value in case of an emergency, and in any event he is never uncertain as to the cash value of his policy. It has a

cash value independent of the liberality and good nature of the company. With this new policy, the flattering prospects for 1886 are greatly augmented.

In the accident department, which steadily maintains a prosperous growth, despite all competition, a new class has been created. It is known as the "select," and will cover only the desk worker or strictly office man. The rates have been reduced to correspond to the non-hazardous character of the new class.

The general agent for the Pacific Coast, W. W. Haskell, will be happy to forward a copy of the new model policy of the Travelers, and happier still to receive an application.

### Void Conditions in Fire Policies.

In the case of the *Universal Fire Insurance v. Block*, decided by the Supreme Court of Pennsylvania, October, 1885, it was held that a condition in a policy of fire insurance, requiring the insured to furnish as a part of his proof of loss a certificate of the marshal of the fire department that the loss was an honest one, is void. The Court treated the question very summarily, as follows:

"The other point has nothing at all in it. The proof of loss was made out by a competent adjuster. If they were not certified by the fire marshal of New York, it was because he properly refused so to do. The company had no right to require a public officer to act in the adjustment of its risks, and the neglect of the assured to even ask a certificate from that officer would have been no default."

The question at issue is discussed by the *American Law Record* of Cincinnati as follows:

Whether the Court rightly decided the question or not, it appears to us that it should certainly have given it a little more consideration than to have dismissed it in this arbitrary manner. The condition in question is a common one in fire insurance policies, and its validity has never, so far as we have been able to learn, been mooted. On the contrary, provisions in a policy requiring certificates of that char-

acter have been repeatedly sustained, beginning with the case of *Worsley v. Woods*, 6 Term R. 710. It is true that in that case the certificate required was that of a minister-church warden, but Lord Kenyon used the following language in reference to the clause requiring such certificates:

"So here it was competent to the insurance office to make the stipulations stated in their printed proposals. They had a right to say to individuals who were desirous of being insured, 'Knowing how liable we are to be imposed upon, we will, among other things, require the minister-church wardens and some of the reputable inhabitants of your parish shall certify that they believe that the loss happened by misfortune and without fraud; otherwise we will not contract with you at all.' If the assured say that the minister-church wardens may obstinately refuse to certify, the insurers answer, 'We will not stipulate with you on any other terms.'"

In other cases the certificate most usually required is that of a magistrate or notary public most contiguous to the place of the fire. In all of these cases the certificate is required of some one holding an office of a public character, and in none of them is it a part of the duties of such persons to furnish such certificates, and we do not quite see any distinction between those offices and that of marshal of a fire department. The certificate required of him was not in his official capacity, but simply as an individual holding that office; and on principle we can see no distinction between requiring such a certificate from a public officer than from a private citizen, and to say that such a condition or requirement voluntarily entered into between both parties to a contract is void, is carrying the doctrine a little too far, even in insurance cases, and we do not believe that the decision on the point in question is sound or just.

*Harpers' Weekly* is our authority for the statement that during seven years, twenty-two savings banks failed in New York city. A great many persons who have confidence in savings banks are foolishly distrustful of life insurance companies.

## The California Life and Accident Association.

QUESTIONS ANSWERED AND UNANSWERED BY THE SECRETARY.—HE DECLINES TO PUT HIMSELF "ON RECORD IN BLACK AND WHITE."

In February last, C. B. Klocker, of Sacramento, then an agent for the California Life and Accident Association of San Francisco, wrote to Mr. Pettis, the Secretary, a letter of inquiry as to the membership and resources of the association, and its ability to pay its certificates. We make the following extracts from Mr. Klocker's letter:

[COPY.]

SACRAMENTO, Cal., Feb. 11th, 1886.

\* \* \* I asked you a question which you failed to answer. I now ask it again, with some others, which please answer at your earliest, as I want to throw myself, as I told you, heart and soul, into the business, and cannot till I feel I am well posted on these most important questions:

1. Can you guarantee the association will be working ten years hence?
2. What is the total life membership? and what has been the increase or decrease during the past twelve months?
3. What is the present amount of the Reserve Fund?
4. What is the total accident membership? and what has been the increase or decrease during the past twelve months?
5. Can the association pay a death claim in full in either the life or accident department? if not, what percentage on the thousand can they pay?
6. How many life claims have been paid, and for what amounts?

Recognizing that these are questions any conscientious agent might ask, and as any member has the right to ask the same, I feel sure you will give this matter your kind attention. I have so many questions asked me that I must be in a position to answer if necessary, and to be in the dark is to lie.

Secretary Pettis replied as follows. The italics are ours. Lest we do him unintentional injustice, we print the letter in full: Office of California Life & Accident Association, }  
San Francisco, Cal., Feb. 15th, 1886. }  
C. B. KLOCKER, Sacramento, Cal.

Dear Sir: Your favor of 11th inst. at hand. Contents noted. In reply to your questions, I will say that explanations, such as I would give an agent, cannot very well be put in writing. When you were here, I spent considerable time with you. I explained our system to you from A to Z. I answered every question that you propounded to me and answered them in a manner that seemed to be

perfectly satisfactory and comprehensive to you. In the first place, I explained to you our assessment system, showing you that it advanced from point to point as laid down in the circular. A man paying according to his age at time he was assessed, and etc., etc. I also told you number of certificates we had written in accident department, and the amount of money that could be raised on an assessment. I also stated to you number of certificates I had written in life department, and the amount that we could pay. I told you that we were *not full in either department and that we could not pay a full benefit*, and I explained to you at the time about what we could pay, but I told you that with the outlook that we had for business, that we would pay a full benefit in either department before the year went out. Now I will repeat your question to you, "Can you guarantee that the association will be working ten years hence?" In reply I will say, yes. Is that satisfactory? or do you want a written guarantee from the London and San Francisco Bank? Your other question as to the total number of members, the increase and decrease since a certain date in the life department, and also the same in the accident department, and etc., etc., are questions that if I were to answer every correspondent any day in the week, I should find little time for anything else. I can assure you that *there has been but little change in our membership since you left here*. You were fully acquainted with all the facts regarding that matter. Suffice to say that we are increasing daily in membership. Another question. "How many life claims have been paid, and to what amount?" Answer, six death claims have been paid on five assessments levied. *It does not make any odds how much has been paid on that; a member joining now, all he wants to know is how much he will get, and that you surely understand, unless your memory is very short, as I gave you a correct answer to that question when you were here*. All you have got to do is to push right ahead and insure men, and I have no objections to your telling a man that *we cannot pay in full* at the present time. You are at liberty, if you want to, to state this, but you can give as your opinion, which will be backed by my judgment, that we will pay in full within twelve months, and we intend to push this business right along, and while one agent is asking questions back and forth (for a month at a time), another agent is saying nothing, but writing applications. You have now been in Sacramento long enough to have sent in thirty or forty applications. I had a man go right down into the little town of Redwood City the other day (a town that could all be fenced right in on one block of Sacramento and have some room to spare, so far as population and buildings are concerned), and this man sent in twenty applications, and went right on to another small town and writes me that he shall probably write twenty-five or thirty there by spending about ten days time. He just goes to work for applications. You talk as though you believed that every man was liable to die right away and would not get his full benefit.

*We think that if a man could get into our association and die within a year and get one-quarter of the amount insured for, he would get a pretty good bargain, and the association would be the side of the house that would get left*. Now, Knockor, I will tell you what you do. You just write up about 150 men and tell them you will come around in twelve months from now and tell them how much they can get. You know very well that *we have no capital except our Reserve Fund*, and it will be necessary to draw on our Reserve Fund for the next five or eight years, as there is no probability that our death rate will exceed "The American Experience Table of Mortality" within that time. I said before that I had no objections to answering any questions you wanted me to in the office, but *I don't propose to put myself on record in black and white* to every question that any agent might see fit to ask any day in the week. I think it is unnecessary and uncalled for. I had no trouble in getting good applications for this association the first day I started, and the parties knew then that their policies were worth comparatively nothing in event of their immediate death. You know very well that all these assessment organizations are started without capital, membership being the capital. Now, all we have got to do is to just blaze away and get members, and then all such questions as those will answer themselves. If you have not got confidence in our system and Board of Trustees and in yourself, I think the sooner you quit the better for all parties concerned. Referring again to our assessment plan in the life department, I supposed you thoroughly understood that the youngest member that would be insured would be assessed 65 cents on \$1,000 at each assessment, but should that same person remain a member until he was 60 years old, he would be obliged to pay \$3.75 on every \$1,000. We have a graded rate and an advancing scale to meet the increase of mortality. Our plan of insurance is based upon the experience of old line companies (mortality rate), each man paying his pro rata according to his hazard from time to time as his age increases. Hoping soon to be in receipt of applications from you, I remain

Yours very respectfully,

W. H. PETTIS, Sec'y.

Mr. Pettis very wisely declines to put himself "on record in black and white." Some ill-natured persons may say, after reading the above letter, that the gentleman had already put himself on record in well defined colors. While we do not say so, we greatly wonder what more detrimental facts he holds in reserve, to be communicated to importunate agents only in a personal interview. This withheld information as to the association's record and resources must be black indeed.

The Secretary does not fear to say that



the association cannot pay in full, and with charming *naïveté* holds that "the member who dies within a year and gets one-quarter of the amount insured for, would get a pretty good bargain!" Who can reasonably object to cheap assessment insurance on those liberal terms? The association would be the loser, he says. Indeed! How could the association lose when it is charging for the face of the certificate? How could the managers lose when they are wrongfully collecting fees and dues on the basis of a full insurance? Is it possible that this is all the defense that the Secretary can offer for assessing members, and collecting fees and dues from them, for insurance from two to four times in excess of the amount that their heirs will realize?

The Secretary "guarantees" that the association will be working ten years hence. How much is his guarantee worth? Many other larger and stronger hat-passers have died in half that time.

The Secretary refuses to disclose the membership. Why? It was a reasonable question, and would enable the agent to give some correct idea of what an assessment would yield. The membership is so pitifully small, probably, that Mr. Pettis is ashamed and afraid to "put it in black and white." But he says elsewhere that the membership is about the same—that "there has been but little change;" and in the next breath he says "the membership is increasing daily."

The question as to the amount of the reserve fund is left unanswered. Yet it is a reasonable question, and one which every intelligent applicant would wish to have answered. The question as to the accident membership is also left unanswered.

The Secretary does not inform his correspondent what percentage the life and accident departments will pay on matured certificates. Formerly he said to other inquirers, that the association would pay only 50 per cent. Are we to infer, from his refusal to answer the question, that the association can no longer pay so much as 50 per cent.? The inference is not to be resisted.

Six death claims have been paid, Mr. Pettis says, but he will not disclose the

amounts. The proportion was shamefully small. But the reason offered for the refusal to give the information is amusing. "It does not make any difference how much was paid," because all the new members want to know is, how much they will get. The inquiry was a reasonable one, like the other unanswered questions, for it is through a knowledge of the payments already made that the ability of the association to pay in the future can be gauged. If the amounts already paid had been respectably large, Mr. Pettis would have answered the question.

The Secretary's refusal to answer these questions indicates that he prefers his agents to remain in the dark, although "to be in the dark is to lie." It takes pretty brazen lying to insure the prosperity of an assessment life insurance enterprise—that is to say, the prosperity of the managers.

The reader of Mr. Pettis' letter will not be surprised to learn that Mr. Knocker promptly resigned his agency of the California Life and Accident Association.

### Oregon Fire and Marine Insurance Co.

The third annual statement of the Oregon Fire of Portland, for the year ending December 31, 1885, is a creditable document, showing a prosperous year and a large increase in business. The assets gained 17 per cent. and the premium income gained 61 per cent. The net surplus has trebled. The losses, notwithstanding the large increase of business, were less than a hundred dollars more than for the previous year. The interest earnings were liberal, also.

The assets of the Oregon Fire are \$312,773.43, a gain of \$43,785. The net surplus is \$59,092.80, against \$18,183 the year previous. As the cash capital is \$220,100, the surplus to policy-holders is \$279,192.80. The premium income in 1885 was \$71,137.99, a gain of \$26,924. The losses last year were \$17,311.92, or only 24.3 per cent. of the premiums. The total expenditures were only about 57 per cent. of the total income.

The California agency of the Oregon Fire has been transferred to Hagan, Manheim & Co., with J. W. Staples as manager, and O.

N. Hall special agent. The company has \$50,000 deposited with the proper State officials of California, under the retaliatory law. Under the new management the Oregon contemplates an early extension of its business throughout California.

### Premiums and Losses in Several Western States and Territories.

The following tables of premiums received and losses incurred in 1885, in several Pacific Coast and Rocky Mountain States and Territories, embrace all the aggregates included in our February chart of the Coast business, in addition to the figures of those companies not represented in this field, or which do not transact business in some of the Territories through their San Francisco representatives. For most of these segregated figures we are indebted to the *Weekly Underwriter* of New York, to which the companies reported:

#### ARIZONA.

Companies.	Prem's Rec'd.	Losses Inc'd.
Etna, Hartford.....	\$351	\$168
Agricultural, Watertown.....	632	25
American Fire, Philadelphia.....	225	....
Clinton Fire, New York.....	712	....
Commercial, San Francisco.....	1,761	20
Concordia Fire, Milwaukee.....	2,191	....
City of London Fire.....	382	....
Commercial Union, London.....	2,401	2,020
Firemans Fund, San Francisco.....	6,930	4,309
Fire Insurance Association, London.....	2,906	1,299
Hartford Fire, Hartford.....	5,536	5,902
Home Mutual, San Francisco.....	1,032	12,440
Imperial, London.....	1,687	1,983
Lancashire, Manchester.....	1,791	2,299
Lion Fire, London.....	5,595	6,000
London Assurance Corporation.....	1,687	1,983
London & Lancashire, Liverpool.....	3,477	8,594
Merchants, Newark.....	97	....
North British & Mercantile.....	210	....
Northern, London.....	1,687	1,983
Norwich Union, Norwich.....	1,791	2,299
Orient, Hartford.....	1,683	4,246
Phenix, London.....	2,798	3,484
Queen, Liverpool.....	1,687	1,983
Royal, Liverpool.....	1,791	2,299
Scottish Union & National.....	1,147	2,555
Sun Fire, San Francisco.....	547	....
Union, San Francisco.....	342	....
Western, Toronto.....	1,555	1,227
Totals 1885.....	\$54,631	\$67,088
" 1884.....	55,168	58,456

#### NEVADA.

Etna, Hartford.....	\$5,038	\$1,425
American Fire, Philadelphia.....	1,286	3,920
California, San Francisco.....	2,007	....
City of London, London.....	2,548	119
Clinton Fire, New York.....	872	....
Commercial, San Francisco.....	2,694	1,992
Commercial Union, London.....	3,184	854
Concordia Fire, Milwaukee.....	1,993	....
Firemans Fund, San Francisco.....	7,967	3,686
Fire Ins. Association, London.....	5,135	1,407
Guardian, London.....	2,485	1,883
Hartford Fire, Hartford.....	5,902	1,493
Howard, New York.....	22	....
Home Mutual, San Francisco.....	150	....
Imperial, London.....	1,461	....
Lancashire, Manchester.....	3,573	223
Lion Fire, London.....	4,047	176
Liverpool & London & Globe.....	10,700	43
London Assurance Corporation.....	1,401	....
London & Lancashire, Liverpool.....	4,453	648
Merchants, Newark.....	210	....
New York Bowery Fire, New York.....	871	....
North British & Mercantile.....	2,306	89
Northern, London.....	1,461	....
Norwich Union, Norwich.....	3,573	223
Phenix, Brooklyn.....	5,626	3,133
Phenix, London.....	2,805	300
Queen, London.....	1,401	....
Royal, Liverpool.....	3,573	223
Scottish Union & National.....	1,919	....
Sun, San Francisco.....	3,899	350
Union, San Francisco.....	1,158	45
Western, Toronto.....	2,691	293
Totals 1885.....	\$98,421	\$22,525
" 1884.....	78,161	43,253
" 1883.....	60,638	29,852

#### OREGON.

Etna, Hartford.....	\$4,823	\$534
Agricultural, Watertown.....	3,063	1,920
American Fire, Philadelphia.....	2,407	87
California, San Francisco.....	12,430	1,126
City of London, London.....	....	....
Clinton Fire, New York.....	999	....
Commercial, San Francisco.....	25,866	7,799
Commercial Union, London.....	18,577	3,779
Concordia, Milwaukee.....	2,161	767
Firemans Fund, San Francisco.....	20,385	3,461
Fire Ins. Association, London.....	14,902	986
Germania Fire, New York.....	4,705	....
Guardian, London.....	9,628	2,260
Hartford Fire, Hartford.....	23,069	3,189
Home Mutual, San Francisco.....	31,234	8,389
Imperial, London.....	8,042	2,500
Lancashire, Manchester.....	10,253	2,090
Lion Fire, London.....	11,372	3,389
Liverpool & London & Globe.....	38,388	1,429
London Assurance Corporation.....	8,042	2,500
London & Lancashire, Liverpool.....	13,315	1,349
North British & Mercantile.....	18,356	6,822
Northern, London.....	8,042	2,500
Norwich Union, Norwich.....	10,253	2,090

Phenix, Brooklyn.....	12,329	2,712
Phenix, London.....	14,706	1,892
Queen, Liverpool.....	8,042	2,600
Royal, Liverpool.....	10,253	2,090
Scottish Union & National.....	6,495	1,351
Sun Fire, San Francisco.....	7,798	2,199
St. Paul F. & M., St. Paul.....	7,524	521
State Investment, San Francisco.....	12,672	4,641
Union, San Francisco.....	16,775	2,387
Totals 1885.....	\$396,996	\$79,259
“ 1884.....	356,751	268,412
“ 1883.....	325,238	255,512

**NEW MEXICO.**

Ætna, Hartford.....	\$4,377	\$71
Agricultural, Watertown.....	400	1,750
American Fire, Philadelphia.....	4,561	492
American Central, St. Louis.....	2,381	269
California, San Francisco.....	3,229	405
Commercial, San Francisco.....	544	....
Commercial Union, London.....	4,980	2,076
Connecticut Fire, Hartford.....	3,091	721
Fire Association, Philadelphia.....	1,848	97
Fire Ins. Association, London.....	5,004	4,348
Firemans Fund, San Francisco.....	6,253	3,001
German-American, New York.....	6,029	1,930
Germania Fire, New York.....	2,422	....
Hartford Fire, Hartford.....	6,074	110
Home, New York.....	3,982	153
Ins. Co. of North America.....	10,079	6,247
Knoxville, Knoxville, Tenn.....	31	....
Lion Fire, London.....	5,984	724
Liverpool & London & Globe.....	7,665	3,267
London & Lancashire.....	....	....
Merchants, New York.....	975	109
National Fire, Hartford.....	2,170	2,500
North British & Mercantile.....	882	....
Norwich Union, Norwich.....	1,509	1,750
Orient, Hartford.....	2,951	78
Pennsylvania Fire, Philadelphia ..	6,667	1,992
Phenix, Brooklyn.....	4,372	1,453
Phenix, Hartford.....	3,906	2,111
Phoenix, London.....	4,378	1,460
Queen, Liverpool.....	5,117	311
Scottish Union & National.....	4,877	732
Springfield F. & M., Springfield ..	4,306	2,089
St. Paul F. & M., St. Paul.....	3,160	1,533
Union, San Francisco.....	99	....
Washington F. & M., Boston.....	2,844	....
Western, San Francisco.....	331	5
Totals 1885.....	\$127,378	\$41,784
“ 1884.....	109,754	127,473
“ 1883.....	114,886	69,949
*“ 1882.....	83,793	30,476

**WASHINGTON.**

Ætna, Hartford.....	\$4,529	....
Agricultural, Watertown.....	2,443	\$50
American Fire, Philadelphia.....	4,663	143
California, San Francisco.....	7,075	5,294
Clinton Fire, New York.....	686	....
City of London, London.....	5,176	1,033
Commercial, San Francisco.....	6,386	3,513

Commercial Union, London.....	8,572	3,530
Concordia, Milwaukee.....	1,745	750
Firemans Fund, San Francisco.....	9,274	6,302
Fire Ins. Association, London.....	10,365	6,420
Germania Fire, New York.....	1,950	....
Girard F. & M., Philadelphia.....	....	....
Guardian, London.....	1,023	2,728
Hartford Fire, Hartford.....	8,078	2,847
Home Mutual, San Francisco.....	1,025	8,818
Howard, New York.....	1,844	....
Imperial Fire, London.....	....	....
Lancashire, Manchester.....	2,962	2,381
Lion Fire, London.....	7,135	5,532
Liverpool & London & Globe.....	13,190	8,671
London Assurance Corporation.....	....	....
London & Lancashire, Liverpool..	7,965	3,762
Merchants, Newark.....	437	2,793
National Fire, Hartford.....	1,994	375
North British & Mercantile, London	6,447	5,975
New York Bowery Fire, New York.	1,610	....
Northern, London.....	....	....
Norwich Union, Norwich.....	2,962	2,381
Orient, Hartford.....	2,308	2,896
Phenix, Brooklyn.....	23,311	11,357
Phoenix, London.....	5,773	3,004
Queen, Liverpool.....	2,345	1,391
Royal, Liverpool.....	2,962	2,381
Scottish Union & Nat'l, Edinburgh	3,537	1,103
St. Paul F. & M., St. Paul....	1,116	78
State Investment, San Francisco...	7,385	2,630
Sun Fire, San Francisco.....	4,576	466
Union, San Francisco.....	3,244	....
Western, Toronto.....	2,141	5,173
Totals 1885.....	\$178,234	\$103,777
“ 1884.....	117,966	95,658

**COLORADO.**

Ætna, Hartford.....	\$13,463	\$7,506
American Fire, Philadelphia.....	13,485	3,280
American Central, St. Louis.....	7,606	2,468
American, Newark.....	5,649	2,514
Agricultural, Watertown.....	2,351	8
American Fire, New York.....	1,579	642
Amazon, Cincinnati.....	7,065	1,050
British America, Toronto.....	6,805	3,469
Boylston Mutual, Boston.....	1,084	660
Connecticut Fire, Hartford.....	10,967	2,036
California, San Francisco.....	10,939	3,844
Commercial Union, London.....	13,724	3,459
Continental, New York.....	....	....
Commercial, San Francisco.....	9,210	3,948
City of London, London.....	5,191	2,023
Citizens, St. Louis.....	3,238	1,309
Citizens, New York.....	2,986	727
Concordia, Milwaukee.....	1,328	270
Firemans Fund, San Francisco....	14,978	3,652
Franklin Fire, Philadelphia.....	5,665	1,672
Fire Ins. Association, London.....	8,290	1,408
Fire Association, Philadelphia.....	7,817	2,893
Farragut, New York.....	1,167	1,311
Farmers and Merchants, Colorado.	45,545	9,940
German-American, New York.....	21,820	5,966
German, Pittsburgh.....	7,288	3,808



THIRD ANNUAL STATEMENT  
OF THE  
**Oregon Fire and Marine**  
Insurance Company, of Oregon.

*For the Year ending Dec. 31, 1885.*

**CAPITAL**

Capital Authorized,	\$300,000 00
Capital Paid up in Cash,	\$220,100 00

**ASSETS**

Loans on First Mortgage.....	\$194,700 00
U. S. 4 per cent. Reg. Bonds.....	59,786 56
O. R. & N. Co.'s Bonds.....	21,685 00
East Portland City Bonds.....	10,000 00
Bills Receivable.....	1,000 00
Cash in Bank.....	11,684 12
Cash in Office.....	27 71
Interest Accrued.....	4,069 30
All other Property.....	1,202 60
Premiums in course of collection and Agents' Balances.....	8,618 14
<b>TOTAL ASSETS.....</b>	<b>\$312,773 43</b>

**LIABILITIES.**

Losses in process of Adjustment.....	\$ 1,579 33
Gross Premiums on fire risks running one year or less, \$50,617.20, re-insurance, 50 per cent.....	\$ 25,408 60
Gross Premiums on fire risks running more than one year, \$10,230.55, re-insurance pro rata.....	5,521 90
Taxes and other charges due and to become due.....	30,930 50
	1,070 80
<b>TOTAL LIABILITIES.....</b>	<b>\$ 33,580 63</b>
Cash Capital.....	\$220,100 00
Net Surplus.....	59,092 80
Surplus as regards Policy-holders.....	\$279,192 80

**INCOME.**

Fire Premiums less cancellations and return premiums.....	\$ 71,137 99
Interest.....	20,582 21
<b>TOTAL INCOME.....</b>	<b>\$ 91,720 20</b>

**EXPENDITURES.**

Fire Losses.....	\$ 17,311 92
Re-insurance.....	13,417 34
Commission and Brokerage.....	6,878 27
Salaries.....	6,020 00
State, National and Local Taxes.....	1,979 36
Traveling expenses, advertising, rent and all other expenses.....	6,932 21
<b>TOTAL EXPENDITURES.....</b>	<b>\$ 52,539 10</b>

**PRINCIPAL OFFICE, 51 STATE ST., PORTLAND, OREGON**

**L. WHITE** ..... *President.*  
**EDWARD HALL..** ..... *Secretary.*

**\$50,000 DEPOSITED IN CALIFORNIA.**

**HAGAN, MANHEIM & Co.**

GENERAL AGENTS FOR CALIFORNIA.

**J. W. STAPLES, Manager.**

**O. N. HALL, Special Agent.**

**OFFICE—217 SANSOME ST., SAN FRANCISCO.**



German Fire, Peoria.....	9,114	9,702
Germania Fire, New York.....	8,251	3,696
German, Freeport.....	11,631	4,381
Glens Falls, Glens Falls.....	2,870	2,624
Home, New York.....	25,320	5,475
Hartford Fire, Hartford.....	19,961	486
Home Mutual, San Francisco.....	7,748	2,115
Hamburg-Bremen, Hamburg.....	6,286	1,051
Howard, New York.....	2,965	10
Hanover Fire, New York.....	5,915	61
Hibernia, New Orleans.....	782	....
Insurance Co. of North America...	32,780	15,547
Imperial, London.....	10,892	5,686
Liverpool & London & Globe.....	25,018	6,004
Lion Fire, London.....	17,539	4,028
Lancashire, Manchester.....	6,553	3,014
London Assurance Corporation...	3,886	94
London & Lancashire, Liverpool..	3,926	46
Merchants, Newark.....	7,639	2,825
Milwaukee Mechanics, Milwaukee.	3,702	3,351
North British & Mercantile, London	17,038	5,525
Niagara Fire, New York.....	14,302	2,092
Northwestern National, Milwaukee	6,238	1,268
Northern, London.....	9,047	3,050
Norwich Union, Norwich.....	7,300	5,344
National Fire, Hartford.....	3,898	2,463
New Hampshire Fire, Manchester.	3,153	875
New York Bowery Fire, New York.	2,679	....
Orient, Hartford.....	4,633	3,635
Oregon Fire and Marine, Portland.	1,357	826
Phoenix, Hartford.....	14,856	2,006
Pennsylvania Fire, Philadelphia..	18,869	6,361
Phenix, Brooklyn.....	23,332	3,441
Providence-Wash't'n, Providence.	15,282	1,752
Phoenix, London.....	6,204	4,370
Pennsylvania, Pittsburgh.....	1,574	509
Queen, Liverpool.....	16,357	2,415
Royal, Liverpool.....	7,173	2,873
State, Des Moines.....	42,425	15,321
Springfield F. & M., Springfield...	19,577	3,794
St. Paul F. & M., St. Paul.....	13,016	5,330
Sun Fire Office, London.....	11,735	3,155
Sun, San Francisco.....	4,397	1,412
Sterling Fire, New York.....	2,286	615
Scottish Un'n & Nat'n'l, Edinburg.	11,895	2,071
Traders, Chicago.....	10,473	2,208
Union, San Francisco.....	5,743	....
United States Fire, New York.....	1,355	300
Western, Toronto.....	14,904	4,919
Washington F. & M., Boston.....	7,120	2,294
Westchester Fire, New York.....	2,010	1,186
Williamsburgh City Fire, Brooklyn	2,605	2,236
Totals, 1885.....	\$766,794	\$233,705

## IDAHO.

Ætna.....	\$938	....
Agricultural, Watertown.....	51	....
American Fire, Philadelphia.....	252	....
California, San Francisco.....	885	\$1,819
Clinton Fire, New York.....	760	....
City of London, London.....	877	....
Commercial Union, London.....	184	....
Commercial, San Francisco.....	928	1,935

Concordia, Milwaukee.....	1,014	....
Firemans Fund, San Francisco....	2,867	113
Fire Ins. Ass'n, London.....	1,215	206
Girard Fire & Marine, Phila.....	....	....
Hartford Fire, Hartford.....	1,342	1,849
Home Mutual, San Francisco.....	2,750	3,984
Imperial, London.....	254	....
Ins. Co. of North America.....	1,277	1,197
Lancashire, Manchester.....	765	145
Lion Fire, London.....	1,398	....
London Assurance Corporation....	254	....
London and Lancashire.....	849	....
New York Bowery Fire.....	53	....
North British and Mercantile.....	949	....
Northern, London.....	254	....
Norwich Union, Norwich.....	765	145
Orient, Hartford.....	336	....
Phenix, Brooklyn.....	367	....
Phoenix, London.....	928	....
Pennsylvania Fire, Phila.....	960	1,433
Queen, Liverpool.....	254	....
Royal, Liverpool.....	765	145
Sun Fire, San Francisco.....	238	....
Union, San Francisco.....	219	....
Western, Toronto.....	484	....
Totals, 1885.....	\$25,427	\$12,971
" 1884.....	28,665	11,718
" 1883.....	11,075	4,112

## UTAH.

Ætna, Hartford.....	\$4,655	\$ 72
Agricultural, Watertown.....	1,596	310
American Central, St. Louis.....	1,569	....
American Fire, Philadelphia.....	6,766	....
Birmingham, Birmingham, Ala....	10	....
British America, Toronto.....	575	....
California, San Francisco.....	4,332	1,812
City of London, London.....	1,825	2,004
Clinton Fire, New York.....	274	10
Commercial, San Francisco.....	3,082	1,167
Commercial Union, London.....	2,970	339
Concordia, Milwaukee.....	542	....
Fire Association, Philadelphia....	2,477	2
Firemans Fund, San Francisco....	4,129	....
Fire Insurance Ass'n, London.....	3,147	1,499
Girard Fire and Marine.....	....	....
Guardian, London.....	3,054	....
Hartford Fire, Hartford.....	5,802	4,993
Home Mutual, San Francisco.....	2,462	1,145
Howard, New York.....	620	11
Imperial, London.....	1,369	252
Insurance Co. of North America...	3,254	4,000
Lancashire, Manchester.....	1,908	678
Lion Fire, London.....	2,699	....
Liverpool and London and Globe..	6,797	982
London Assurance Corporation....	1,369	252
London and Lancashire, Liverpool.	1,723	2,145
Merchants, Newark.....	714	931
National Fire, Hartford.....	1,197	....
Niagara Fire, New York.....	2,477	20
New York Bowery Fire, New York.	62	....
North British and Mercantile.....	3,205	7,009
Northern, London.....	1,369	252



Norwich Union, Norwich.....	1,908	678
Orient, Hartford.....	1,911	....
Pennsylvania, Philadelphia.....	1,675	2,400
Phenix, Brooklyn.....	....	....
Phoenix, London.....	3,434	2,000
Queen, Liverpool.....	1,369	252
Royal, Liverpool.....	1,908	678
Scottish Union and National.....	1,321	....
Springfield F. & M., Springfield...	3,145	13
St. Paul F. & M., St. Paul.....	1,028	5
Sun Fire Office, London.....	1,068	10
Traders, Chicago.....	1,176	18
Union, San Francisco.....	4,277	459
Washington F. & M., Mobile.....	10	....
Western, Toronto.....	1,305	....

Totals, 1885.....	\$103,624	\$36,338
" 1884.....	94,683	12,485
" 1883.....	74,152	29,570
" 1882.....	55,257	7,386

## MONTANA.

Etna, Hartford.....	\$14,090	\$1,546
Agricultural, Watertown.....	1,500	50
American Fire Philadelphia.....	7,432	2,225
American Central, St. Louis.....	1,657	3,060
California, San Francisco.....	7,035	8,172
City of London, London.....	5,220	6,571
Clinton Fire, New York.....	546	....
Commercial, San Francisco.....	7,583	4,084
Commercial Union, London.....	7,797	6,781
Concordia, Milwaukee.....	1,152	1,000
Fire Insurance Ass'n, London.....	1,777	56
Firemans Fund, San Francisco....	17,195	7,974
German-American, New York.....	9,261	9,489
Germania Fire, New York.....	3,276	7,206
Girard F. & M., Philadelphia.....	....	....
Hartford Fire, Hartford.....	20,465	9,449
Home, New York.....	10,444	6,419
Home Mutual, San Francisco.....	9,750	790
Howard, New York.....	2,614	1,737
Ins. Co. of North America.....	9,316	10,861
Lancashire, Manchester.....	1,750	1,164
Lion Fire, London.....	7,119	2,204
Liverpool and London and Globe..	11,948	8,302
London & Lancashire, Liverpool..	4,671	10
Merchants, Newark.....	436	248
National Fire, Hartford.....	2,903	1,650
New York Bowery Fire, New York..	2,601	....
Niagara Fire, New York.....	2,620	2
North British & Mercantile, London	8,053	7,679
Northern, London.....	3,126	3,493
Norwich Union, Norwich.....	6,012	....
Orient, Hartford.....	3,159	5,166
Pennsylvania Fire, Philadelphia...	5,022	6,637
Phenix, Brooklyn.....	....	....
Phoenix, Hartford.....	....	....
Phoenix, London.....	5,729	2,179
Queen, Liverpool.....	3,507	3,456
Scottish Union & National.....	4,393	1,359
Springfield F. & M., Springfield...	7,768	6,533
St. Paul F. & M., St. Paul.....	5,172	4,628
Sun Fire, San Francisco.....	4,311	2,225
Traders, Chicago.....	2,295	1,381

Union, San Francisco.....	2,016	....
Washington F. & M., Boston.....	3,425	1,124
Williamsburgh City, Brooklyn....	1,648	....
Western, Toronto.....	3,277	38

Totals, 1885.....	\$241,376	\$150,008
" 1884.....	223,813	46,894
" 1883.....	139,973	31,677
" 1882.....	87,455	11,686

## WYOMING.

Etna Hartford.....	\$742	\$70
American Fire, Philadelphia.....	1,022	....
American Central, St. Louis.....	1,912	12
Birmingham, Alabama .....	30	....
British America, Toronto.....	19	....
California, San Francisco.....	2,044	....
City of London, London.....	....	....
Commercial, San Francisco.....	371	....
Commercial Union, London.....	1,339	20
Continental, New York.....	1,664	....
Fire Association, Philadelphia....	3,615	636
Fire Ins. Association, London. ...	1,776	62
Firemans Fund, San Francisco....	5,374	2,934
German-American, New York.....	1,420	128
Germania Fire, New York.....	1,609	....
Hartford Fire, Hartford.....	1,336	....
Home, New York.....	2,795	33
Home Mutual, San Francisco.....	1,234	....
Imperial, London.....	....	....
Ins. Co. of North America.....	3,231	50
Lancashire, Manchester.....	1,097	....
Lion Fire, London.....	1,963	21
Liverpool & London & Globe.....	2,483	....
London & Lancashire, Liverpool..	1,307	....
Merchants, Newark.....	899	17
Niagara Fire, New York.....	2,106	500
North British & Mercantile.....	2,122	200
Northern, London.....	715	13
Norwich Union, Norwich.....	1,640	666
Orient, Hartford.....	1,183	....
Pennsylvania Fire, Philadelphia..	2,228	10
Phenix, Brooklyn.....	....	....
Phoenix, London.....	3,283	10
Phoenix, Hartford.....	1,781	70
Providence-Washington, R. I.....	2,017	....
Queen, Liverpool.....	1,790	....
Scottish Union & National.....	2,017	....
Springfield F. & M., Springfield...	2,623	....
St. Paul F. & M., St. Paul.....	1,279	....
Sun Fire, San Francisco.....	2,301	300
Traders, Chicago.....	1,423	....
Union, San Francisco.....	63	....
Washington F. & M., Boston.....	2,058	618
Western, Toronto.....	971	55

Totals, 1885.....	\$70,880	\$6,425
" 1884.....	62,959	25,669
" 1883.....	39,290	7,501
" 1882.....	34,052	17,896

The best hotel fire escape in the world is to miss the train that is to take you there, the day before.

### Contingent Commissions.

The *Chronicle* prints interviews with prominent underwriters on this topic. A few of the opinions we copy, as follows:

D. W. C. Skilton, Secretary of the Phoenix of Hartford, says:

As between a flat commission of 15 per cent. and the contingent plan, I am in favor of the latter for a large portion of the agency field, and I am convinced that a large majority of the agents who have tried it are believers in it. Still, I think there is a better plan than either of these, and that is the graded plan, viz., a plan that divides the business into three classes: (1) Specials and a 10 per cent. commission. (2) Mercantile and all other risks except dwellings and farm property; on this class pay 15 per cent. (3) Dwellings and farm property; on this class pay 20 per cent. Or dividing this latter class into two, pay 20 per cent. on dwellings and 25 per cent. on farm property. In a word, on that class easiest for an agent to secure and that pays the largest rate of premium pay the lowest rate of commission. On the class paying premiums in small amounts and requiring much travelling on the part of the agent, pay the higher rate of commission.

Henry A. Oakley, President of the Howard of New York, says:

I am in favor of contingent commissions, having been one of the committee who recommended it originally to the companies. I believe in it as the true conservator of the business, because it identifies the interest of company and agent. The system has been practised by this company for many years, and has always been found to work both for the interest of the agent and of the company, and its adoption would do more to lift the business out of the unfortunate position it seems to have fallen into (in my judgment) than any other course that could be adopted.

President Garrigue, of the Germania Fire of New York, thinks:

The principle is all right, but its application is just as open to bad faith as any other agreement. The compact proposed of 10 per cent. flat commission and 12½ per cent. contingent is not yet signed, and, on a recent tour of inspection, I found it already practically broken, 10 per cent. and 15 per cent. having been allowed. Selection of risks will, of course, be bettered by a contingent interest of the local agent, but selection of companies will be affected by breach of promise and uniformity just as much as by differences in flat commission.

The Vice-President of the Washington of Boston, Frank E. Sweetser, says:

There are occasions when one method is preferable to the other. Some agents won't work under a contingent, and others prefer it. We have tried

both plans with satisfaction, but at present are not prepared to be committed solely to either, so much depends on the character of the individual agent in each case.

J. B. Branch, Secretary of the Providence-Washington of Rhode Island, writes:

We firmly believe in the principle of contingent commissions, and in the great majority of cases where we have tried them, have found them work very satisfactorily. We think much better results would be obtained if this method of compensation became a general one, and if the agent's contingent interest was made by far more prominent than his flat compensation. Our experience leads us to the conclusion that the more closely united the interests of the company and agent become the better are the results obtained, and that the partnership theory, carried to a greater extent even than has yet been suggested, is the true one.

J. Dunham, President of the Springfield, thinks the principle a correct one. Secretary Mullikin, of the Merchants of Newark, says his company has tried the plan at a few points, with favorable results. He does not believe that any plan based on the volume of business is the correct method of computing the agent's commission, but it seems to be the only applicable method, so long as a commission basis is the rule. H. M. Stevens, the Secretary of the Agricultural of Watertown, N. Y., believes that it is a needed supplement to the commission plan, and that it will take the place of conscience in the agent.

So far all have favored the contingent commission plan, but Thomas S. Chard, manager of the Chicago department of the Firemans Fund, fires a big gun into the ranks of the pro-contingents. He objects to the plan, first, because it is in the main unjust to the agents; second, because it embarrasses associated companies with each other; and third, because it is based upon an unsound philosophy. He closes with the declaration that the scheme is at once the most plausible and dangerous of any ever exhibited to American underwriters.

Of the \$3,977,341 fire premiums received from the Missouri business, the twenty-five foreign companies received only \$707,415. Missouri has twice the population of California, and yet her fire premium payments are not half so great. The losses of the two States were the same, within a few dollars.

## The Hartford Fire Insurance Company.

### NEW PACIFIC COAST MANAGERS.

Prominent among the great American fire insurance companies is the Hartford, of Hartford, Connecticut. Since its organization in 1810, it has received \$48,033,166.75 in premiums, and paid \$30,030,949.75 in losses, thus disposing of the odd "six-bits" very neatly. It has paid to its stockholders dividends to the amount of \$5,313,100, a fact of more interest to those lucky gentlemen than to the reader, who is burning with impatience to know the record for last year. Well, the old Hartford transferred \$2,308,668 in premiums last year, paid \$250,000 dividends as usual on its \$1,250,000 capital, paid \$740,912 to keep the company machinery well oiled, and distributed \$1,320,025 among the victims of fire. The losses were considerably lower than during 1884, and the loss ratio descended from 65 to 57 per cent. The assets are \$4,745,342, a gain of a quarter of a million. The net surplus, by an advance of nearly \$150,000, became the royal sum of \$1,443,359.

On the Pacific Coast, the Hartford has always done a large and desirable business, with moderate loss ratios. The new managers, who succeed the late Mr. Flint, are Henry K. Belden and J. W. G. Cofran.

Mr. Belden began the insurance business in 1864, in Milwaukee, Wis., as the local agent of the Hartford. In 1867 he was transferred to the Western department of the company at Chicago, under G. F. Bissell, the present manager. In 1870, Mr. Belden came to California with P. P. Heywood, who established the Hartford agency in this field, and became associated with A. P. Flint, under the firm name of Heywood & Flint, as the representatives of the company. Mr. Belden continued in the service of the Hartford, under Mr. Flint, as city agent, and did special and adjusting work. At the death of that gentleman, Mr. B. became temporary manager.

J. W. G. Cofran entered the insurance business in September, 1874, when about 20 years of age. He began with the Commercial, of this city. In 1880 he went to Portland, Oregon, as the representative of the

Commercial. An Oregon department was formed, including Oregon, Washington and Idaho. In 1882 Mr. Cofran also became the Oregon representative of the Hartford.

The new Coast managers of the Hartford are capable, energetic and popular young men, who will never permit the interests of their company to suffer in the race for good paying business.

### Abroad.

The Equitable Life Assurance Society has deposited \$500,000 with the Bank of England for the security of English policyholders, and the trusteeship of this fund has been accepted by the Right Honorable the Earls of And-so-forth. A London board, also, has been formed.

It is stated that in March, at the Auction Mart in London, there was offered for sale a policy in the Legal and General Life Assurance Office on the life of Queen Victoria, now in her sixty-seventh year, for £1,200, together with bonuses amounting to £399, the total value of the policy being £1,599, and the annual premium being £25 5s. The particulars stated that a copy of the policy would be purchased at the sale, and that the purchaser should be deemed to have notice of all the contents. Although there was a numerous company present, the auctioneer failed to obtain an offer, and the policy was withdrawn. Do the English life companies issue policies on the life of the Queen to anybody who wishes to gamble in that way?

Dr. Ogle, of the Statistical Society, in a paper on suicides, says that the deaths registered in twenty-six years (1858-83) in England and Wales owing to suicide were 42 630, and in the proportion of 72 annually per million persons living. The suicide rate increases rapidly with age until after middle life, but in the more advanced age periods again diminishes. The maximum rate is in the 55-65 years period, when it reaches 251 per million persons living. The male rate is far higher than the female, and the difference between them increases with age. Taking all ages together, the male



suicides are to the female suicides as 267 to 100. The occupations in which the suicide-rates are lowest are those which imply rough manual labor, carried on mostly out of doors, and by men who are comparatively uneducated. The occupations with the highest suicide-rates are those which are sedentary and carried on by highly educated men, as the learned professions, and also such as notoriously lead to intemperance.

There is in Europe a new kind of life insurance, known as the "invalidats." As soon as the insured becomes disabled by sickness or accident, the company carries the risk without any further premiums. We presume, however, that when he recovers, payment of premiums becomes obligatory, else all the members would speedily become ill. Here is a suggestion to hat-passers who are on the lookout for a new popular feature.

A Montreal man heard a company in which he was insured denounced because it declined to pay when garnished by a claimant's creditor. He was insured in that company, and indignant at its want of "liberality" he canceled his policy. A few hours thereafter the property burned. The moral is, don't make an ass of yourself.

### The Prussian National Insurance Company.

On a colored page in this month's COAST REVIEW, we print the annual statement of the Prussian National Insurance Company, of Stettin, Germany, for the year 1885. The premium receipts were about a half million dollars, and the loss ratio 45 per cent. The assets on the 31st of December were \$1,497,258, a gain of some \$20,000. The cash capital is \$562,500. The net surplus is \$483,396, making the surplus to policy-holders \$1,045,896.

The Prussian National is an old, substantial and successful company. It was organized in 1845. Its uniform prosperity has enabled it to pay very liberal dividends to stockholders. Last year the dividends were 26 per cent., and the former year 25 per cent.

The Pacific Coast agency of the Prussian National has heretofore been in the hands of Franz Jacoby, who has transacted a profitable business for the company. Recently, a Pacific Coast Department has been organized, and Alexander Badlam has become associated with Franz Jacoby in the representation of the company, under the firm name of Alexander Badlam & Co., general managers. It is the design of the company to largely extend its business in this field in the near future.

### A New Commissioner Comes to Grief.

The Governor of Connecticut recently appointed Henry T. Sperry Insurance Commissioner of that State. Mr. Sperry is a well known political worker and the proprietor of a Hartford evening paper. He was therefore specially qualified to fill the position of Insurance Commissioner, and his services to the party entitled him to the honor and emoluments of the place. We anticipated some able documents and excellent recommendations to the Connecticut legislature from Mr. Sperry on the subject of life, accident, co-operative and fire insurance; for his experience as a politician and an advertising solicitor had given him rare opportunities for the study of underwriting, and had thoroughly familiarized him with all its difficult problems and the duties of a Commissioner of Insurance. It is therefore with the keenest regret that we announce the resignation of Mr. Sperry, or rather his declination, for his appointment had not been confirmed.

It appears that Mr. Sperry's old habits as an advertising solicitor were so strong that immediately after his appointment he visited the parent offices of several New York and Philadelphia companies operating in Connecticut, and invited them to advertise in his paper and in an annual publication which only legislators buy whose biographies appear therein. Of course the companies all saw the advantage of advertising with the new Insurance Commissioner. Mr. Sperry is such an excellent solicitor, A pugnacious publication in New York, known as *Insurance*, got after the new Commis-

sioner with a very heavy club, and raised a great row that finally extended to Hartford. Our contemporary insisted that Mr. Sperry was levying blackmail on the companies. That gentleman stated in his paper, very loftily, that it was not necessary to "explain why he continues to do business at the old stand in the old way." But his enterprise did so strongly resemble blackmail that the Governor requested him to resign. It was in vain that Mr. Sperry ate humble-pie, and with tears in his eyes entreated the Governor to forgive him for being so indiscreet. The Governor was inexorable, and Mr. Sperry continues to do business at the old stand in the old way.

### An Invitation to G. A. R. Underwriters.

#### PROGRAMME FOR THE NATIONAL ENCAMPMENT IN SAN FRANCISCO.

On August 2 the national encampment of the Grand Army of the Republic, for 1886, begins in San Francisco. Great numbers are expected from the East, and there will be throngs from the interior and all the Coast States and Territories. All insurance men attending the encampment are cordially invited to make the COAST REVIEW office their headquarters. We will provide them with our reporters' cards, which will insure them distinguished consideration and a safe return to their temporary domiciles if the climate or an earthquake or any unfamiliar beverage should steal away their brains. As the encampment will continue eleven days, and Californians are proverbially hospitable, and there will be a grand banquet, the value of our offer will be duly appreciated.

The first day is to be devoted to receiving Comrades. As the reception committee have been provided with rubber hands, we trust that nobody will hesitate to give them hearty fraternal grips. Every Post in the city, except the *Evening Post*, will establish headquarters in some public hall, whither visiting Comrades may at once go and make themselves as uncomfortable as their diffidence will permit. On the morning of the second day there will be a grand parade, and in the evening of the second day there will be another grand parade. The cobble-stones

on Market street will be smoothed for the occasion by street sprinklers. On the third day there will be an excursion to Santa Rosa. On the fourth day there will be an excursion to Santa Cruz, and in the evening a grand free feed at the Pavilion. On the fifth day, excursions to Monterey and somewhere north. On the sixth day, excursions around the Bay of San Francisco, and in the evening a grand camp-fire. The Sabbath day the Comrades are expected to keep wholly as they please. On the eighth day, an excursion to Oakland. Members are instructed to beware of Oakland water. On the ninth day, an excursion to San Jose. On the tenth and eleventh days, an excursion to Sacramento, where every Comrade will be escorted to a bar—a mosquito bar. Although the G. A. R. circular fails to say so, we presume that all who survive the night will return to San Francisco the next day.

Every citizen of California is expected to ask visitors their opinion of our glorious climate, and regret that they did not come sooner or later, when the climate is perfect and all nature is dressed in green. The men of San Francisco are requested to lay aside their overcoats during August, lest visitors from abroad receive erroneous impressions of our glorious climate.

### Don't Divide or Give Your Commission.

It is a bad practice for any broker, solicitor or agent to give any portion of his commission to the assured, but it is a foolish practice for any one in the life business to do so, as the President of the Boston Life Underwriters' Association forcibly shows in a recent paper, which we find in the *Standard*. He says:

"I suppose it is a fact that competition does not arise in one case in fifty. Practically an agent has the field to himself when he commences to talk insurance to any individual. In rare cases the agent of another company comes along and interferes with himself and his friend, the other agent, and the proposed insured. This course should be condemned. The business of each will be better, and the harmony will be such that what is now known

as rivalry among agents will disappear as completely as it has from other kinds of business.

"Let me ask, why do we engage in the business of life insurance? Is it for recreation? Is it for a mere pastime? No. We engage in the business for a livelihood. We engage in the business for the same reasons which cause merchants and manufacturers to engage in theirs. We work as other men work. What should we say of a manufacturer who would sell his goods for precisely what they cost him to produce them? What should we say of a merchant who sells his goods always for precisely what they cost him? Are we any less than they? Are not our firesides as dear to us as are theirs? Is there any reason why the hard-worked, worried life insurance agent should give away his profits more than there is why men engaged in other business should give away theirs? We are not selling out at cost! We have no style or shop-worn goods! We have no old truck that we want to get rid of. When we cut our rates and sell our goods below the price of them, we bring contumely on the business; we deprive ourselves of our just profits; we educate our citizens to expect what they should not expect; we injure the business in every way; and when we have done all this, we have not the slightest reward for it, because we all know full well that when a man has made up his mind to insure his life, he will not stop for the small matter of commission.

"If you ask me what one thing will do most for life insurance in the city of Boston, I must answer that it is my firm belief that there is nothing which by any possibility can do so much to build up the business and advance our interests as the entire stopping of giving commissions, whether it be to relative or friend. There is not a man here to-day who does not know that not one single risk would be sacrificed by this course."

According to *Insurance*, the certificate of the Mutual Reserve Fund Life Association contains *twenty-two* distinct causes of forfeiture, which are admirably contrived to "breed litigation."

## The Anglo-American Wildcat in California.

One of the first official acts of Mr. Wadsworth, the new Insurance Commissioner of this State, is the publication of the following notice to the public:

TO ALL WHOM IT MAY CONCERN: Satisfactory evidence having been furnished me that the Anglo-American Insurance Company of Washington, D.C., is soliciting insurance in this State, I hereby give notice that said insurance company is not authorized to transact business in this State; and anyone soliciting business for it is liable to prosecution under the law.

J. C. L. WADSWORTH,  
Insurance Commissioner.

For the benefit of any person who may be soliciting for this Washington wildcat, or who may be tempted to do so, we append Section 439 of the Penal Code of California:

Sec. 439. Every person who, in this State, procures, or agrees to procure, any insurance for a resident of this State, from any insurance company not incorporated under the laws of this State, unless such company or its agent has filed the bond required by the laws of this State relating to insurance, is guilty of a misdemeanor.

The attention of the State's Attorney for Los Angeles county is called to the foregoing section of the Penal Code and to the following letter written by A. O. Daman, an insurance broker who is soliciting for the Anglo-American:

COMPTON, CAL., April 9th, 1886.

MESSRS. FRANKEL & WELBT, San Pedro, Cal.:

Gentlemen—As a broker, I think you can secure insurance at eight per cent. (8 per cent.) in the Anglo-American Ins. Co. of Washington, D. C., by applying through me. I am no agent for the Co., but offer to do such business as a part with my other business. I do business for myself and for my patrons, however I would offer no poor risks or other business to any company or firm. The premium has to be paid in full when application is made. It will be deposited in the Los Angeles National Bank until policy is received if application is accepted, if not accepted every cent of premium paid will be returned. About 20 days will be allowed to hear from Washington after application is made.

Yours truly,  
(Signed) A. O. DAMAN.

P. S.—If you wish insurance, write to me, and will call on you on Saturday following receipt of your letter A. O. D.

Mr. Daman has been guilty of a misdemeanor and should be prosecuted forth-



with. He has not the excuse of ignorance. The attention of the companies he represents is hereby called to the fact that he is soliciting for this notorious wildcat.

The Anglo-American is a fraud. It was organized in Washington, D. C., where there is no insurance department to subject it to an examination of its business and resources. Outside of the District of Columbia the Anglo-American does only an underground business. It has never made any report to any Insurance Commissioner. No one has ever seen a dollar of its alleged capital.

### Pacific Life Underwriters' Association.

A meeting of all the general agents and managers of life insurance companies in this field was called for the 16th of last month, and twelve out of fifteen representatives responded. At the preliminary meeting George A. Moore, President of the Pacific Mutual, was elected President of the temporary organization, and John Landers, general agent of the Manhattan Life, was elected Secretary. Messrs. Hawes, of the New York Life, Forbes, of the Mutual Life, and Field, of the New England Mutual Life, were appointed a committee on constitution and by-laws; and Messrs. Jacobs, of the Germania Life, Howell, of the United States Life, and Edwards, of the COAST REVIEW, were appointed a committee to visit the general agents and solicit their co-operation.

Following is a copy of the agreement to organize an association:

The undersigned, general agents and managers of the various life insurance companies represented in the State of California and the Pacific Coast generally, hereby agree to associate themselves under the name of Pacific Life Underwriters' Association, the objects of which shall be protection to the life insurance interests on the Pacific Coast, and mutual advantage to the members socially and practically.

The COAST REVIEW has from time to time urged upon our local life underwriters the social and business value of an association of this kind, and we are pleased to announce that all recognize the usefulness of such an organization. Boston and Pittsburgh have set San Francisco a good example in this direction, having organized flourishing associations. Their practical and con-

servative influence is already felt, and it is not too much to hope that they, and similar associations of life underwriters in San Francisco and other large cities, will solve many perplexing problems, diminish vexatious annoyances, and abolish all demoralizing practices.

### When to Quit.

The *Chronicle*, of New York, has an article on the best time for a member of a co-operative to cease paying assessments. Our contemporary says:

We have had a question asked us more than once, which amounts to about this: How high a rate of assessment can I afford to pay to my society, and still get cheap term insurance? I know that the assessment plan gives nothing but term insurance and that the cost will increase yearly; how much can I afford to pay for one thousand dollars of insurance, and when should I stop for economical reasons?

We answer, and have answered, that economical reasons, putting it that way, ought to keep most persons eternally away from assessment companies, and that the best time to stop is just before beginning. But if a fuller reply is desired it is easy to produce it.

In the first place it should be borne in mind that a man thirty years of age, who is satisfied with term insurance, may buy it of regular life insurance companies for one year, or a series of years far longer than the lifetimes of many co-operative societies, for about twelve dollars per annum. If he is younger he can obtain it for less, and if older it will cost a little more.

Therefore, if the assessment society's certificate to pay one thousand dollars is the equal of the definite contract of an old-line company to pay the same sum, then it would follow that when membership fees, assessments and annual dues amount to twelve dollars per year for one thousand dollars, the assessment *uninsured*, for economical reasons, ought to die or resign at once. If the certificate is not the equal of the definite contract of the regular life insurance company, than a great less many than twelve dollars may be ridiculous overpayment.

## COAST REVIEW SUPPLEMENT.

### A Big Blaze at Honolulu.

THE LOSS ESTIMATED AT \$1,250,000.

We learn from Honolulu dailies, per bark *Chas. B. Kenney*, the news of a great fire at Honolulu, H. I., on the 18th of April. The loss in property is enormous and is difficult to estimate. The assessment of the burned district last November was as follows:

Block 18.....	\$150,000
Block 37.....	95,000
Block 14.....	80,000
Block 16.....	165,000
Block 10.....	450,000
Block 7.....	135,000
Block 5.....	130,000
Block 9.....	150,000
Total assessment.....	\$1,355,000

As the assessment was doubtless far lower than the real value, the loss is roughly estimated at \$1,250,000.

The fire began in the upper story of a Chinese soup-house at the corner of Smith and Maunakea streets, in the center of the Chinese quarters. The fire might have been easily extinguished, but the terrified denizens ran pell mell into the street and left the fire to take its course. The fire department were powerless, owing to the inflammable character of the buildings and a strong breeze from the southwest.

Towards the sea the flames embraced nearly all that portion of the city bounded by Hotel, Marine, Nuuanu and Bethel streets, Rose Lane and the river, burning the old Bethel and the police station, the club house of the Chinese Society, several stone and brick buildings, and about 270 frame buildings occupied by natives and Chinese. From Hotel street north the flames advanced to the Piko brick block on Fort street.

The fire began at 4 o'clock P. M. and was not under control until after 11 o'clock.

The fire was rendered unusually fierce by quantities of kerosene and Chinese bombs.

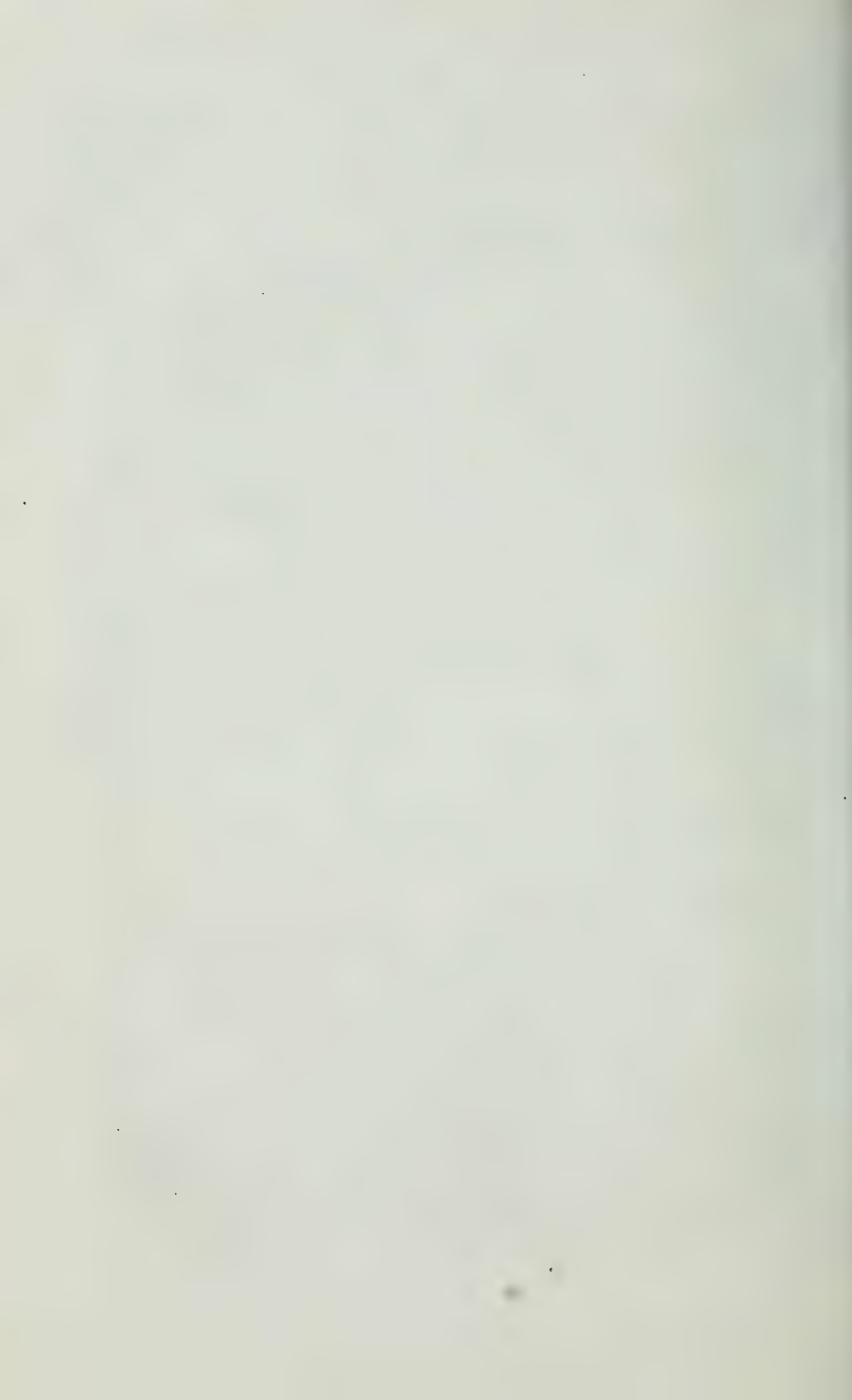
Between fifty and sixty acres of ground was burned over, and about 7,000 people, mostly Chinese, were made homeless. The total number of buildings burned, stores and dwellings, is reported at 523.

From the Honolulu papers and a letter to Manager Dickson from the Northern agent at that city, we learn that the insurance losses are reported as follows:

South British & National.....	\$17,250
Hartford.....	3,750
Commercial Union.....	4,000
Lion.....	7,500
Hamburg-Magdeburg.....	33,000
Transatlantic.....	62,250
North German.....	23,750
Union, New Zealand.....	12,000
Royal.....	25,000
Imperial.....	5,500
Northern Assurance.....	12,500
Sun Fire Office.....	7,500
Liverpool & London & Globe.....	2,000
Commercial, San Francisco.....	1,000
Firemans Fund.....	1,600
Prussian National.....	3,500
Hamburg-Bremen.....	7,000
Washington, Boston.....	6,000
Orient, Hartford.....	2,500
Total.....	\$237,000

The Honolulu agencies of the following companies interested are managed from the San Francisco offices: Commercial Union, Lion, South British and National, Orient, Washington, Hartford, Firemans Fund and Commercial, San Francisco. The Prussian National reports to the Vera Cruz general agency. The other interested agents report direct to their respective head offices.

The German companies all have heavy reinsurance contracts with companies doing only a reinsurance business, and the apparent heavy losses, therefore, will be shared by the several reinsuring companies.





### Henry Stokes.

Age and impaired health have induced the President of the Manhattan Life Insurance Co. of New York, Henry Stokes, to resign. Mr. Stokes is now in his eightieth year, and retires with well earned laurels and the sincere regrets of the directors and agents of the company. He was one of the incorporators of the Manhattan Life, has been a director since its organization in 1850, and the President for over twenty-five years. To the agents of the company he has endeared himself by unfailing appreciation of the value of their services, and by encouraging words, which largely contributed to the company's popularity and success.

Mr. Stokes' successor is James M. McLean, an able and prominent New York fire underwriter, who for many years has been President of the Citizens Fire Ins. Co. of that city. He has also been connected with the Manhattan Life as a director since 1854. The First Vice-President is J. L. Halsey, and the Second Vice-President of the company is H. B. Stokes, a son of the retiring President. Recent gains in new business are very gratifying to the managers of the Manhattan, and are an earnest of additional growth and prosperity of this sterling company in 1886.

### Beyond the Rockies.

Five new stock companies have been organized in New Hampshire since the exodus. The combined capital is less than a million.

The Chicago Fire Underwriters' Association are discussing a proposition to give a reduction of 10 per cent. to all persons who insure their property to its full value. A strong objection is the fact that many business houses are fully insured.

Mr. Davis, the editor of *Insurance* of New York, has gone to the West Indies. It is not stated who is after him, but we suspect Harper. Mr. Davis designs to purchase a large stock of tomahawks from the West Indians. The COAST REVIEW wishes him the enjoyable holiday he has earned.

It is stated that there are six persons in Colorado who carry over \$100,000 each on their lives, and between fifty and one hundred who carry over \$50,000 each.

La Crosse, Wis., had a \$562,000 fire last month. Ten blocks in the lumber district were consumed, including mills, warehouses and lumber. The insurance was light, otherwise the Crosse would have been a heavy burden for underwriters.

Zavarr Wilmshurst (what a name!) and P. T. Kempson have purchased the *Insurance Times*. The former gentleman will edit and the latter gentleman will publish the *Times*. We hope they will dispense with those huge and frightful poster-type headlines.

Auditor Brown, of Iowa, no sooner regained his office than articles of impeachment were presented, and he is now undergoing a trial. It is stated that a portion of Examiner Vail's excessive charges went into the State political campaign fund. The Iowa companies have made the atmosphere very sultry for the Auditor, and it now looks as though they were going to do him up Brown.

A Chicago paper says: Marshall Field's new wholesale building will cover a block of land that is alone worth \$750,000. It has been the wonder of the people who ride and walk past it that great pine timbers are being put in; twice as much a wonder for the reason that in a decade Chicago people have seen no timber at all put into the new expensive buildings. No man pays more insurance than Mr. Field—probably no one in the country pays as much. He knows for that reason the economy of a fire-proof structure. There are, I am told, two reasons why timber is going into the new building instead of iron. The architect claims that the big timbers will make a structure that will burn very slowly and not collapse, and that for this reason pine is better than iron for the girders. The other reason is that the estimates for iron and for wood made a difference of \$300,000 in the cost of the block.

Having evidence proving that the fall of a building caused the fire, at Louisville, the interested companies have refused to pay the losses, relying on the policy clause relieving them from liability in case a building falls, unless the fire causes the fall.

Socialists of the Most school have been over-insuring their household effects in New York city, and then, by overturning a convenient kerosene lamp, have succeeded in collecting good round sums from the insurance companies. It is stated that credible evidence exists of a general conspiracy to defraud insurance companies by leading socialist fanatics, and the swindle is justified on the ground that the companies are capitalists and proper subjects for plunder and destruction. It is 'most time that the Most gang of vagabonds were taught a wholesome respect for a too tolerant law.

### Excerpta.

The insurance agent is a missionary, persuading men to perform a manifest duty, and the only reason that he is ever unpopular is owing to the fact that few men like to be reminded of a duty unperformed.—*Weekly Statement.*

The effect of breathing animal dust is shown in the following statistics: The percentage of consumption among brush makers is 49.1; hair dressers 32.1; skimmers 23.2; tanners 16.2; hatters 15.5; button makers 15.0; harness makers 12.8; cloth makers 10.0 per cent. Coal or carbon, being anti-septic, protects the pulmonary organs.

### CONTINGENT COMMISSIONS.

Referring to contingent commissions, the *Monitor* says: "A company has a heavy loss early in the year, and the agent's hope of a contingent is destroyed. Does he pile the new business on that company's books for the remainder of the year? Not much! He thinks it is a good time to let his other companies have a chance—and the other companies get the business for the remainder of the year. Agents cannot afford to go into the insurance business, and that is

what they do when they agree to let their compensation be regulated by the occurrence of fires. Pay any agent as much as you can afford, and then fine him (if that is the term to use) for every risk that burns, once, twice, or thrice the amount of his commissions on that particular risk."

### DISTRUST OF ALL LIFE INSURANCE.

If the people demand co-operative insurance, and have an opportunity of knowing how their wants can be legitimately gratified, there is no reason why they should not have it. But so long as the field is left open for every fraud and imposter to rob and deceive whomsoever they will, nothing but evil can come of the liberty allowed—not only the present evil of the robbery openly committed, but the future evil of general distrust of all plans of life insurance.—*Missouri Insurance Report.*

The well known leaning of juries, and the tendencies of modern judicial decisions, all go to show that any attempt on the part of insurance companies to brow-beat the policyholder, in the event of a fire, would prove futile. As a matter of fact, the records of this department show that less than one per cent. of the amount of fire losses sustained by the companies ever become the subject of litigation.—*Kansas Insurance Report.*

### FIGHT THE COMMON ENEMY.

There is no disguising the fact that the great issue in the immediate future will be between the life insurance companies and the assessment organizations, and the sooner this condition is practically apprehended the sooner will the interests of sound underwriting be conserved. Hence it is that companies should hasten to throw aside any animosities which may have been created in the out-reach for new business, and they should, standing shoulder to shoulder, make active warfare against the common enemy, which is seeking to cripple if not destroy them in its grasp. In this emergency the affairs of the several offices should be managed conservatively and economically, and only first-class men should be employed as agents. To assault a rival

company which is doing an honest business, and is in a healthy financial condition, should be deemed sufficient cause for the discharge of an employee. No man should be so valuable in an office that his services cannot at once be dispensed with under such circumstances.—*American Exchange and Review*.

#### THE PENNSYLVANIA BROKER.

Instead of being able to go direct to the company or one of its accredited agents, the individual is often compelled to resort to the middleman or broker. The latter thrives off both the company and the individual, and benefits neither. For instance, the customer is approached by the broker, who fixes a rate. Then the broker visits the different companies to see where he can do best. For his customer? Oh, no. This is the means by which he makes his living, and so his anxiety is solely on his own account. If the customer gets ten off he may consider himself lucky, while the broker pockets the difference between that and anywhere from twenty to thirty per cent. and smilingly thinks, "what fools these mortals be."—*Insurance World*.

#### REINSURANCE RESERVE.

There needs to be an entire change in the method of calculating the reinsurance reserve. As at present calculated the reserve is now larger than is necessary to pay the losses, except upon term policies. The rule should be to charge up against the policies just what it would take to pay the expected losses upon them, and not what it is assumed they can be reinsured for, or for what they may be canceled. In calculating the reserve upon the premiums the basis taken is fluctuating. One year on the same risk \$25 may be received, for which \$12.50 has to be reserved. The next year, and this is not without precedent, the same risk may be taken at \$15, on which the reserve is \$7.50. Thus, while the rates are going down there will be an apparent profit, but the losses on that class of business will be just as great in the aggregate. The present system is all right enough, so far as it relates only to short term and annual policies; but with term policies, where

a company gives a five-year policy for a three-year rate, or a three-year policy for a two-year rate, it cuts sharply against the companies, and, in effect, the more business of that kind done by a company the worse off it will be. The fault in this case lies altogether with the companies. Ten years ago less than one-seventh of the local business was in term policies, and now it is fully one-half.—*Nicholas Miller*.

#### THE INDIANA BROKER.

The agent has a certain interest in the companies, the broker none; his commissions are the whole to him. The companies are obliged to pay the agent a sufficient compensation to enable him to disburse a heavy brokerage, and still retain something for himself. The broker gets the larger part and is the cultivated person. And what does he do for the wonderful consideration? Nothing more than to use his best endeavors to break rates, spread bad forms of policies, and to introduce all manner of irregularities into the business, being no more nor less than the agent of the assured, looking directly to the interests of his customer. He exacts his large compensation from the companies for working directly against their interests, and in many cases a good part of his compensation goes back to the assured. He is a useless middleman, who, without responsibility, pensions himself upon the companies, and we are fools enough to submit to his terms and continue each day to grind out new brokers to suck the life out of the business. *Walter Welch*.

#### EVERY WORD TRUE.

The assessment system of life insurance was started and still sails under the delusive, catch-penny name of "The poor man's insurance." That it never was insurance in the proper sense of the term, and under its basic idea never can be, has been demonstrated over and over again. Its certificates, instead of guaranteeing the payment of a fixed sum on the death of a member, are mere promises to pay so much as may be realized from an assessment of the survivors, not exceeding a maximum amount.—*Cincinnati Commercial-Gazette*.



## THE BROKER HERE TO STAY.

The brokerage question continues to agitate some of the Eastern insurance journals and some of the insurance companies. Some of them speak of the abolishment of the brokerage system as an easy thing to do, but somehow they do not seem to do it. The fact is that it can not be done. Instead of abolishing it, the business is bound to grow and become an important factor in the business. If a broker secures a line of business he has as much right to dispose of it as an agent has to write a policy on it and claim a commission. Some persons talk about the customer paying the broker's commission. Why not make the customer pay an agent's commission? The one is just as proper as the other. If a company is willing to pay an agent for business why not pay a broker for business? If a company wants to buy business, why not buy that which suits them from a broker as well as an agent? The gentlemen who cry "the broker must go," may as well settle down and recognize the fact that "the broker has come to stay."—*Cincinnati Price Current*.

## BOSTON'S BROKER QUESTION.

The adoption of the plan of dual rates of commission, proposed by the Broker's Board, proved impracticable; and after long and careful consideration the Tariff Association's Committee on Brokers have made a report which, after some modifications, will probably be adopted. It is in effect to create three classes of brokers' certificates: the first, to cost \$50 and entitle the holder to the current rates of commission on all policies negotiated by him; the second, to cost \$10 and exclude the holder from receiving commissions on business in what is known as Boston proper; and the third, to cost \$1 and exclude him from receiving brokerage on risks situated within the city limits.—*Standard*.

Alcohol is antagonistic to the right perception of facts, and also, of course, to accurate testimony respecting facts observed under alcoholic impressions. It mystifies

facts, it distorts truth and it annihilates time. In all judicial proceedings of great moment, when stupendous interests in property, or liberty, or life are at stake, the testimony of witnesses respecting facts observed while in a state of intoxication should be viewed with the utmost suspicion.—*Journal Inebriety*.

## LIFE DIVIDENDS.

Dividends in life insurance are the result of three miscalculations. In order to fix in advance upon a premium charge it is necessary to assume a rate of mortality, a rate of interest and a percentage of expense. If these calculations were made with exactness there would be no money for dividends. If they were not sufficient there would be a failure of the companies. It has been considered wise to make these assumptions high enough to cover all contingencies, and so it happens that the premiums are, in mutual companies, more than sufficient for their purpose, and what is not needed is returned, and is called a dividend.

Several companies have attempted to fix the exact amount necessary to cover the contingencies of life insurance, and not to make dividends, but only one company has succeeded. The others made a miscalculation involving a loss to their policyholders of their insurance. The other living companies have returned the excess.—*Weekly Underwriter*.

## WHOSE IS THE FAVOR?

A great many men think they are conferring an immense favor upon a life insurance agent when they permit him to confer with them on the subject of insurance, but the majority live to bless the day they were led to appreciate its advantages. The work of the life insurance agent is often made disagreeable, when he should be treated and regarded as a friend representing one of the most valuable institutions in civilized countries.—*Week's Statement*.

The agent of a fire insurance company who is forced to offer long credits on premiums as his only argument to get business, had better resign.

### Mutual Reserve Fund Life Association.

An able analysis of the certificate of the Mutual Reserve Fund Life Association of New York, *Insurance* points out that "the application accompanying the contract, and declared to be a part of it, contains some six thousand printed words, mostly in fine type. It embraces in the two parts of it—for there are two parts, one to be signed by the applicant and the other by the applicant and the medical examiner—forty-seven principal inquiries and twenty-nine subordinate ones. More than sixty separate disorders or diseases are specifically and by name mentioned, and the applicant must answer as to each one." If the answers are not full and true, the certificate is worthless. Again, he is held responsible for what the examiner says, and agrees that the examiner is his (the insured's) agent, and not the association's. As all assessments are payable at the home office within thirty days after the date of the levy, many members, especially those on this Coast, run great risk of forfeiture. These clauses afford the managers extraordinary opportunities to nullify certificates. Many clauses were apparently inserted in the contract for the purpose of successful litigation. Every eighth claim was resisted last year, or 12.9 per cent. of all claims presented.

### The Coast Credit System.

Uniform rates having been established and enforced by the Pacific Insurance Union, the rivalry for business has developed the credit system to an unusual degree. In giving credit the salaried agencies have a big advantage over those agencies whose compensation is in the form of commission. Under the latter's contracts settlements with the home offices every thirty or sixty days are required. Any extended credit to the insured, under such a contract, is obviously impracticable. The salaried agents are not so "cribbed and confined," and can give, as many do give, long credit without special embarrassment. This unbusiness-like practice of long credit is therefore an effective card in the game for premiums,

and its free use is likely to prove an element of serious discord.

We need not discuss the evils of the credit system, nor remind underwriters that it grows. Concessions are followed by increased demands and further concessions, to a degree that must prove more or less embarrassing to every agency and every company. Long credit as an inducement for business is ordinarily a sort of reflection on the company offering it, for its resources and good reputation should be all-sufficient inducements for desirable business; but such, it appears, are the necessities of competition under the uniform rate system. The evil requires very vigorous treatment and it must be dealt with speedily. The proper exorciser of the bad spirit is the Pacific Insurance Union.

Credit for premiums is not customary in the East, nor is it asked or expected by property-owners. The Pacific Coast, with its prosperity and wealth of coin, should take the lead in exacting cash premiums, and set the entire underwriting world an example of sound practice in this respect.

### Spiritual Paupers.

We hasten to say that we use the word spiritual in a temporal sense. We refer to mental qualities—those qualities of the mind or soul which are indicated when it is said of a person that he or she is spirited. Using the word spiritual in this sense, we may say that the world is full of spiritual paupers: persons without spirit, lacking in self-respect and hope and self-reliance. They are a pitiable class of people, whose deplorable poverty of spirit is not to be attributed to ill health nor to their own misfortunes. The time for the successful cultivation of manly and womanly spirit is in childhood and youth. If this golden period of life is made leaden by extreme poverty or rasping dependence, woe be unto the unfortunate victims. They will never rise up and call their parents blessed. Their dependence on the cold charity of relatives is degrading, and the privations of poverty wear their spirit away. There are no hopeful visions of the future in youth, and no restful memories in age. They become and

remain spiritual paupers, and should they ever become prosperous and self-reliant their whole lives will nevertheless be embittered by the stinging memories of the sorrows of childhood and the insolence of the world. They are strangers to enthusiasm, and their spirits are forever without the elasticity of joyful self-respect. Now, reader, if you would insure your children freedom from this awful spiritual poverty, which palsies the heart and damps every fountain of joy, do not fail to keep your life well insured in some good, legitimate life insurance company. Guarantee them a fair independence, and never selfishly trust to the charity of relatives who are so loving during your prosperity, but who will grudgingly dole out pitiful sums to your widow and orphans and grievously wound their spirits. Independence—the independence of a life insurance policy—will build up the self-respect of your children, and that respect will stimulate their self-reliance, and they will assume the duties and labors of life with a vigor and capacity which will honor your memory.

### FIRES.

#### The Bancroft Fire.

At 3:50 o'clock in the afternoon of Friday, April 30, fire was discovered in the Bancroft building, on the south side of Market street, between Third and Fourth streets. In less than one hour thereafter the imposing five-story brick building was completely gutted by the flames, all the floors were gone, the south and west walls had collapsed, and all the adjoining property on the east and on the south on Stevenson street was ablaze.

The Bancroft building cost about \$125,000. It had a frontage of 75 feet, and extended to Stevenson street, a depth of 170 feet. The greater part was occupied by A. L. Bancroft, printers and bookbinders. The remainder was occupied by L. E. Emanuel, furniture dealer. The adjoining building on the east was an old three-story frame. It was destroyed. The remaining walls of the Bancroft building have been condemned.

In the rear, on Stevenson street, about

twelve small frame buildings, chiefly tenement houses, were destroyed or badly damaged by fire and falling walls. The scenery of the Grand Opera House was damaged by water.

The furniture and merchandise in the buildings adjacent to the fire, on all sides, were damaged by water. Altogether, the property loss will foot up about \$800,000. It is doubtful if the loss has been exceeded at any fire in San Francisco since the '50's. Fortunately for the companies interested, the insurance loss is comparatively light, not exceeding \$300,000, about 37 per cent. of the property loss.

The Bancroft building was well provided with hand grenades, but, as usual, the grenades were useless.

The insurance on the Bancroft building and contents was comparatively light, as the risk was not favorably regarded by underwriters. The rate was formerly 1.40, but it was recently advanced to 2 per cent. The publishing firm thereupon allowed \$60,000 of their insurance to expire without renewal. There were no partition walls of brick in the building, and the elevator was an excellent medium for the spread of the flames. The immense quantities of books and paper, and the pianos, furniture, etc., all were choice morsels for the licking flames.

The heavy machinery and stock carried the floors down within a few minutes after the discovery of the fire. The several hundred employes barely escaped with their lives.

The fire originated in the basement of Emanuel's furniture store. An employe dropped a lighted candle into a pile of "excelsior"—shavings used in packing—which burned like tinder. So rapidly did the flames spread that two of the workmen in the basement perished.

The fire department were on hand at once, and fought the fire bravely and persistently, but the firemen could not do more than restrict the fire to a limited area. The materials were too inflammable and all the circumstances too favorable for a big fire.

The Fire Patrol did praiseworthy work in



protecting property from damage by smoke and water, but the fire spread with such fearful speed that the Patrol lost covers to the amount of \$2,000.

#### THE BANCROFT LOSS.

The losses on the Bancroft building and contents will be total, with the possibility of a nominal salvage on boiler and engine. The insurance on this property was distributed as follows:

##### BUILDING.

New Zealand.....	\$2,500
Insurance Co. North America.....	2,500
Pennsylvania, Philadelphia.....	2,500
Hartford.....	5,000
New Hampshire.....	1,250
North German.....	5,000
Commercial Union.....	10,000
Guardian.....	5,000
Hamburg-Bremen.....	5,000
Fire Association, Phila.....	5,000
Boston Underwriters.....	1,250
Royal, Norwich Union & Lancashire..	5,000
State Investment.....	5,000
Peoples and Hope, New Orleans.....	1,500
Firemans Fund.....	1,320
Commercial Union.....	880
Farragut.....	2,500
Pennsylvania, Pittsburg.....	2,000
New Orleans.....	4,000
<b>Total.....</b>	<b>\$57,700</b>

##### STOCK AND MACHINERY.

City of London.....	\$2,500
South British & National.....	5,000
Ins. Co. State of Penn.....	2,500
Commercial, S. F.....	2,500
Imperial, London, Northern & Queen..	2,500
Southern California.....	2,500
Anglo-Nevada.....	2,500
Sun, S. F.....	2,500
Franklin, Phila.....	2,500
Williamsburg City.....	2,500
Boston Underwriters.....	1,250
Svea.....	2,500
Union, S. F.....	2,500
California.....	1,500
Union, N. Z.....	1,000
South British & National.....	2,500
Western, Toronto.....	2,000
City of London.....	2,500
Washington.....	2,500
Niagara.....	1,500
Merchants, N. J.....	2,000
German, Freeport.....	2,000
Concordia.....	2,000
Merchants, N. Y.....	1,500
German, Pittsburg.....	1,500
Phenix, Brooklyn.....	5,000
United Fire Reinsurance Co.....	1,250
Pennsylvania, Philadelphia.....	1,500

American, Phila.....	2,500
Farragut.....	2,500
Pennsylvania, Pittsburg.....	2,500
St. Paul.....	1,500
Firemens, N. J.....	1,500
New Orleans.....	500
Peoples, N. O.....	750
Hope, N. O.....	750
Teutonia.....	2,500
Allemania.....	2,500
Fire Insurance Association.....	7,500
Sun Fire Office, London.....	2,500
London & Lancaster.....	5,000
Manchester.....	2,500
Girard.....	275
New Zealand.....	2,500
Transatlantic.....	10,000
Ætna.....	2,500
Amazon.....	2,500
New Hampshire.....	1,250
State Investment.....	5,000

Total contents..... \$123,075

Total Bancroft..... \$180,775

##### L. & E. EMANUEL—FURNITURE STOCK.

Manchester.....	5,000
Ætna.....	2,500
Pacific, N. Y.....	1,250
Prussian National.....	2,500
N. Y. Underwriters' Agency.....	2,500
British America.....	2,500
German American.....	2,500
Scottish Union.....	2,500
National, Hartford.....	2,500
Citizens, Montreal.....	2,500
Glens Falls.....	2,500
Union, Philadelphia.....	1,500
Springfield.....	2,500
Phenix, Brooklyn.....	2,500
Liverpool & London & Globe.....	2,500
Oregon.....	2,000
National, of Ireland.....	2,500
California.....	1,250

Emanuel's total..... \$43,500

Total Bancroft building..... \$224,275

##### SHILLABER BUILDING AND CONTENTS.

A three-story frame, adjoining Bancroft's, at 727 and 729 Market street, occupied by paint-shop, auction furniture store, trunk factory, and piano and picture frame dealers.

Phenix, London.....	\$2,000
Western, Toronto.....	1,000
British America.....	1,000
Fire Insurance Association, London..	6,500
New Orleans.....	1,000
Citizens, St. Louis.....	2,000
People's, New Orleans.....	500
Hope, New Orleans.....	500
New Zealand.....	1,000

Guardian .....	1,500
Liverpool & London & Globe .....	2,200
Royal, Norwich Union & Lancashire...	4,000
London & Lancashire .....	1,500
Insurance Co. North America .....	1,500
North British & Mercantile .....	2,000
Firemans Fund .....	2,750
National, New York .....	2,000
Royal, Norwich Union & Lancashire...	3,000
North German .....	2,000
Lion .....	2,000
Commercial Union .....	1,000
Hamburg-Bremen .....	1,000
Orient .....	1,000
Howard .....	400
Connecticut .....	1,328
Anglo-Nevada .....	996

Total Shillaber fire..... \$45,674

#### OTHER LOSSES.

The losses on Stevenson street tenements in the rear, and on adjoining property on Market street, east and west, which includes furniture, books, etc., approximate as follows:

Lion .....	\$350
Girard .....	500
Agricultural .....	465
Fire Insurance Association, London...	1,625
Ætna .....	2,842
Firemans Fund .....	4,400
Union, S. F. ....	2,600
Liverpool & London & Globe .....	2,250
Home Mutual .....	500
Commercial, S. F. ....	500
Southern California .....	1,500
Amazon .....	200
American, Phila. ....	108
American Central .....	200
Northwestern National .....	150
Connecticut .....	150
Pacific .....	200
State Investment .....	1,300
Phenix, Brooklyn .....	352
New Zealand .....	1,304
New Hampshire .....	700
Commercial Union .....	522
Atlas .....	575
National, Ireland .....	575
City of London .....	575
London & Lancashire .....	104
South British & National .....	575
Prussian National .....	275
Niagara .....	290
Imperial, London, Northern & Queen..	94
Union, S. F. ....	100
N. Y. Underwriters .....	78
Nine companies .....	848
Ins. Co. State of Penn. ....	115

Total other losses..... \$26,662

Total loss to companies Bancroft fire.. \$296,571

March 15, near Santa Cruz, Cal., frame building:

Commercial, San Francisco.....\$661

March 26, Livingston, M. T., liquors, etc.:

Commercial, San Francisco.....\$800

March —, frame building and stock:

California.....\$500

March —, Klickitat, W. T., frame building and merchandise:

California.....\$500

April 26, Florence, Cal., dwelling:

Phenix, Brooklyn.....\$600

April 10, Grass Valley, Cal., frame building:

Commercial Union.....\$1,000

April 30, Miles City, Cal., building and dwelling:

South British & National.....\$1,000

April 22, Sonoma County, Cal., hotel:

Home Mutual.....\$300

April 18, Chico, Cal., groceries:

Firemans Fund.....\$123

April 17, San Jose, Cal., dwelling and furniture:

Home Mutual.....\$500

Phenix, Brooklyn..... 715

April 15, Bloomfield, Cal., flour mill:

American, Philadelphia.....\$1,500

National of Ireland..... 1,000

April 9, San Luis Obispo, Cal., brick building:

California.....\$300

April 24, Grass Valley, Cal, frame dwelling and contents:

Liverpool & London & Globe.....\$570

April 23, Grass Valley, Cal, quartz mill: London & Lancashire.....\$715

April 3, Oakland, Cal., building and furniture:

New Zealand.....\$555

April 12, Los Angeles, Cal., dwelling and contents:

Connecticut.....\$2,000

April 2, Red Bluff, Cal., frame dwelling and contents:

Liverpool & London & Globe.....\$1,650

April 25, Sutter County, Cal., barn:

Home Mutual.....\$450

April 30, Oregon City, Or., general merchandise:

North British and Mercantile.....\$1,000

Seventy-Sixth Annual Exhibit

OF THE

**HARTFORD**

**FIRE INSURANCE COMPANY**

OF HARTFORD, CONN.

JANUARY 1ST, 1886.

**ASSETS.**

Cash on hand, in Bank and Cash Items.....	\$ 397,739 97
Cash in hands of Agents and in course of Transmission....	344,651 48
Rents and accrued Interest.....	24,105 12
Real Estate Unencumbered.....	639,675 60
Loans on Bond and Mortgage (1st lien) .....	1,040,400 00
Loans on Collateral Security.....	135,000 00
Bank Stock, Hartford, market value.....	336,212 00
“ “ New York, “ “ .....	222,410 00
“ “ Boston “ “ .....	77,985 25
“ “ Albany and Montreal, market value.....	76,582 50
Railroad Stock .....	438,810 00
State, City and Railroad Bonds.....	781,145 00
United States Bonds.....	230 625 00

**\$4,745,341 92**

Cash Capital .....	\$1,250,000 00
Reserve for Re-Insurance (legal standard) .....	1,733,863 88
Outstanding Claims.....	318,118 83
Policy Holders' Surplus.....	2,693,359 21
Net Surplus over Capital and All Liabilities .....	1,443,359 21

GEO. L. CHASE President.

C. B. WHITING, Secretary.

P. C. ROYCE, Ass't Sec'y.

**BELDEN & COFRAN,**

Managers Pacific Department,

313 CALIFORNIA STREET, SAN FRANCISCO.

**J. J. AGARD and H. S. HOBLITZELL,**  
Special Agents and Adjusters.

**OSCAR WOODHAMS,**  
City Agent.





April 5, Oakland, Cal., saloon and store:  
Liverpool & London & Globe.....\$2,050

April 2, Oakland, Cal., furniture stock:  
North German.....\$1,200  
Prussian National.....1,200

April 9, Clarksville, Cal., brick store  
building and contents:  
Liverpool & London & Globe.....\$341

April 4, Oakland, Cal., frame building:  
Providence-Washington.....\$110

April 14, Sacramento, Cal., frame dwell-  
ing:  
Liverpool & London & Globe.....\$600

April 26, Fresno, Cal., laundry:  
Royal, Norwich Union & Lancashire.....\$1,710

April 26, Folsom, Cal., Chinese merchan-  
dise:  
Boatmans.....\$975  
New Orleans.....520  
Citizens.....520  
Pacific.....465

April 28, Mohave, Cal., general fire:  
American, Philadelphia.....\$350  
State Investment.....2,500  
Oakland Home.....1,500  
Traders.....500  
Phenix, Brooklyn.....350  
Security.....1,500  
Svea.....700  
Firemens, Newark.....739  
Continental.....739  
Citizens.....951  
United Fire.....951  
Total.....\$10,780

April 18, San Bernardino, Cal., general  
fire:  
Commercial Union.....\$250  
Phenix, Brooklyn.....180

April 18, San Francisco, dwelling:  
South British & National.....\$325

April 18, San Luis Obispo, Cal., general  
fire:  
Southern California.....\$2,500  
Phenix, London.....950  
North British & Mercantile.....220  
California.....300  
Orient.....300  
Home & Phoenix.....7,700  
Total.....\$11,970

April 19th, Sacramento, Cal., brick build-  
ing:  
Home & Phoenix.....\$138

April 15, Oakland, Cal., dwelling and fur-  
niture:  
Guardian.....\$529

April 5, Oakland, Cal., frame buildings:  
Home & Phoenix.....\$256

April 19, San Francisco, dwelling:  
Guardian.....\$295

April 22, San Francisco, merchandise:  
National, Ireland.....\$147  
Atlas.....178

April 4, San Francisco, general merchan-  
dise:  
New Zealand.....\$136  
Transatlantic.....401

April 30, San Francisco, furniture stock:  
Union, New Zealand.....\$100

April 5, San Francisco, furniture and sa-  
loon:  
New Zealand.....\$110

April 28, San Francisco, frame building:  
Anglo-Nevada.....\$600

April 5, San Francisco, dwelling and fur-  
niture:  
New Zealand.....\$125

April 4, San Francisco, general fire:  
North German.....\$2,100  
Westchester.....412

April 27, San Francisco, glove factory:  
Firemans Fund.....\$747  
Home & Phoenix.....2,100  
Germania.....877

April 28, San Francisco, hotel:  
Firemans Fund.....\$166  
Hamburg-Magdeburg.....333  
Oakland Home.....500

April 4, San Francisco, furniture:  
Continental.....\$126

April 24, San Francisco, wines and liquors:  
St. Paul.....\$625

April 24, San Francisco, frame buildings:  
Phoenix, London.....\$310

April 5, San Francisco, dwelling:  
State Investment.....\$400

April 12, San Francisco, stock of furs:  
Sun, San Francisco.....\$151  
Williamsburg City.....249

April 29, San Francisco, carpenter shop:  
Oakland Home.....\$480

April 28, San Francisco, furniture:  
Svea.....\$325

April 20, Butte City, M. T., dwelling:  
Connecticut.....\$1,000

April 30, Anaheim, Cal., building:  
South British & National.....\$300

April 22, Fresno County, Cal., hotel:  
phenix, Brooklyn.....\$5 00

April 30, Miles City, M. T., photographic gallery:

Connecticut.....\$300

April 12, Butte City, M. T., general merchandise:

Commercial, S. F.....\$750

April 15, Lake View, Or., frame building:

Firemans Fund.....\$1,600

Providence-Washington..... 800

April 30, Miles City, M. T., building and general merchandise:

Firemans Fund.....\$500

German, Freeport..... 500

April 7, Eureka, Nevada, dwelling and farm:

City of London.....\$552

April 9, Glendive, M. T., frame building and merchandise:

City of London.....\$1,250

South British and National..... 1,250

April 6, Portland, Or., household furniture:

South British and National.....\$414

April 5, Garrison, M. T., hotel:

Scottish Union.....\$375

National, Hartford..... 375

April 22, Sanford, A. T., adobe building and fixtures:

South British and National.....\$1,250

April 20, Tacoma, W. T., dwelling:

Home and Phoenix.....\$500

April 9, Miles City, M. T., billiard table:

California.....\$200

April 29, Miles City, M. T., general fire:

Home and Phoenix.....\$200

April 26, Phenix, A. T., adobe building:

Lion.....\$1,000

April 27, Billings, M. T., household furniture:

American, Philadelphia.....\$500

April 18, Portland, Or., furniture:

Hamburg-Bremen.....\$175

April 29, Butte City, M. T., household furniture:

North British and Mercantile.....\$1,200

April 16, Carson City, Nev., frame dwelling:

Liverpool and London and Globe.....\$975

April —, Portland, Or., building:

Fire Insurance Association.....\$160

April 17, Tombstone, A. T., dwelling:

Commercial Union.....\$800

April 29, Butte City, M. T., frame building and furniture:

Williamsburg City.....\$1,000

Phoenix, London..... 1,200

April 22, White Sulphur Springs, dwelling:

Home Mutual.....\$1,200

April 6, Portland, Or., brick and frame building and contents:

Liverpool and London and Globe.....\$258

April 30, Coburg, Or., general merchandise:

Home Mutual.....\$300

Grand total.....\$380,646

## PERSONAL PARAGRAPHS.

J. A. BRUMSEY, of Portland, Or., is in town.

EDWARD HALL, Secretary of the Oregon F. M. Ins. Co., was in San Francisco last month.

GEORGE L. CHASE, President of the Hartford Fire Ins. Co., visited this city last month.

HENRY K. FIELD, general agent of the New England Mutual Life Insurance Co., is in the East.

FRANZ JACOBY has gone to New York, and thence will go to Europe to attend to some personal business.

AMONG the COAST REVIEW callers lately were Bert G. SNOW of Visalia, and Jacob Bernhardt of Petaluma.

HUGO SCHUMANN, Vice President of the Germania Fire Ins. Co. of New York, is visiting San Francisco.

R. J. SMITH, Secretary of the Traders Ins. Co. of Chicago, is in the city. Mr. Smith is accompanied by Mrs. Smith.

WILLARD MERRILL, 2d Vice President of the Northwestern Mutual Life Ins. Co., of Milwaukee, visited San Francisco in April.

GEORGE D. DORNIN has gone to England, and will be absent about three months. He will also visit the principal Eastern cities.

WM. PARDY, a prominent insurance agent at Eureka, Nevada, is visiting San Francisco. This is his first visit in twenty-four years.



GEO. F. McLELLAN, of Los Angeles, was in town last month.

SECRETARY MILES, of the Southern California Ins. Co. of Los Angeles, spent a couple of weeks in the city last month.

SAM. C. BATES, "the wicked man" from Merced, Cal., scrawled his name on a sheet of paper on the table of the editor, who was out, one day last month.

FRANKLIN BABCOCK, of Chicago, a superintending special agent of the Continental Life Ins. Co., of Hartford, for the Northwestern department, was in the city last month.

JOHN T. FERRIS, Superintendent of the Pacific Department of the Union Mutual Life of Maine, with headquarters at Denver, died suddenly of paralysis of the heart at Dallas, Texas, in April. Mr. Ferris was a wide awake and ambitious solicitor and a genial young man.

P. P. HEYWOOD, assistant manager of the Western department of the Hartford Fire Ins. Co., at Chicago, visited San Francisco last month, and was warmly greeted by personal friends. Mr. Heywood was a short time associated with the late Mr. Flint in the representation of the Hartford in this field.

### CHIPS.

—Messrs. Newhall & Co. now occupy their new office at 309 Sansome street. It is probably the largest insurance office in the city, and the most complete in all its appointments. The frontage is about forty feet. The light—that essential of health and good work—is supplied in abundance through a plate glass front on Sansome and large windows on Halleck street. The office proper comprises two departments, insurance and mercantile. In the rear are private offices for both branches, and elsewhere upon the same floor are mercantile sample and insurance supply rooms. Midway, to the left, are two massive vaults, within easy access of each department. Everything is in ship-shape order, bright as a newly coined dollar, and specially designed and arranged for the rapid and orderly transaction of a large business.

—The Firemans Fund Ins. Co. is now a \$2,000,000 company.

—Smith & Moody have been appointed city agents of the Sun Fire Office of London.

—J. C. L. Wadsworth assumed the duties of the office of Insurance Commissioner on the 18th ult.

—Next month we shall publish co-operative figures which life solicitors will find very useful.

—J. S. Wilkins has resigned the general agency of the Connecticut Mutual Life Ins. Co. on this Coast. The agency is temporarily in the charge of the Superintendent of Agencies, Mr. Risley.

—The Bancroft fire developed the fact that in the heart of the city there is not a sufficient number of hydrants, and possibly that the water mains are not large enough. The city press is discussing the subject.

—The Andrews Hotel at San Luis Obispo in this State, valued at \$110,000, and uninsured, burned to the ground last month. The rate was raised by the Union, and the proprietors refused to pay it. The building was a frame structure, and was provided with terra cotta chimneys. The underwriters were lucky that time.

—There is published in the *Argus* a letter written to the manager of the inspection department of the Chicago Fire Underwriters' Association, by John B. Hughes, a stove founder in Chicago. He writes that there had been two fires in his warehouse. The shutters in the rear were tightly closed. As the fire was in the rear, the firemen were delayed twenty minutes before they could open the first shutter and throw water on the fire. In the meantime the flames spread over the entire building, entailing a loss of \$75,000 to the insurance companies. Later there was another fire in the same warehouse. In obedience to the instructions of the association, the shutters to one window on each floor had been left wide open. The consequence was, the fire was soon discovered, and the firemen had easy access to it. The loss at the second fire was only \$3,000. This shutter reform has long been urged by the COAST REVIEW.

—The State Investment has established a general agency for Idaho at Boise City.

—The State Investment Ins. Co. is issuing its new stock, with the increase of capital to \$400,000 paid up. The assets of the company now foot up nearly seven hundred thousand dollars.

—Among the contents of the May *Overland Monthly* may be mentioned the "Martial Experiences of the California Volunteers," "Prison Labor," "Discussion of the Liquor Traffic," "Must Life, Beginning Here, Necessarily End Here?" "In Favilla."

—We have for sale expiration books suitable for local agents and customers, at the low price of 50 cents per copy. They will be found very convenient. No local or extensive insurer should be without such a work.

—Acknowledgements: Illinois Fire Insurance Report; Baltimore *Underwriter* chart; Address of State Irrigation Committee; Proceedings of the Insurance Institute of Victoria; advance sheets of Canada Report; Bourne's Handy Assurance Guide (Liverpool); Missouri Insurance Report; Michigan Insurance Report.

—R. A. Diver, who some years ago was the Pacific Coast general agent for the St. Louis Mutual Life Ins. Co., has associated himself with A. B. Forbes, general agent of the Mutual life, of New York, as special agent and solicitor. Mr. Diver is one of those energetic workers who always succeeds, and with the one hundred millions of the Mutual back of him, we predict a brilliant record for Mr. D. in this field.

—Henry Carpenter, of Iowa, held a certificate in a prominent hat-passer. While on his death bed, and wholly unconscious, a notice of assessment was sent to him. Of course it was not paid. The hat-passer refused to pay the widow's claim, and she sued, lost and appealed. The Iowa Supreme Court has ruled in favor of the hat-passer, holding that, whatever the circumstances, the member must pay his assessments or forfeit all claims upon his society. This is the worst sort of forfeiture. If insured in a regular company, there would have been no forfeiture under such conditions.

—M. H. Paxton has succeeded Paxton & Bowden at Walla Walla, W. T.

—The new President of the Oregon F. & M. Ins. Co. is L. White, *vice* M. W. Fechheimer, deceased.

—Thomas Bennet, general superintendent Pacific Mutual Life and Accident Ins. Co., is in the Eastern States.

—Manager Bush, of the Oregon branch of the Home Mutual, prints a very original and taking "ad" in a Portland paper.

—An Eastern man put dynamite in his stove to remove the cinders. The experiment was successful. The assessment levied by the Independent Order of Hod Men yielded \$147, which, after the Secretary had deducted his commission, was paid to the Eastern man's widow.

—The COAST REVIEW has so many subscribers who take no other insurance journal, that we print every month a brief compendium of Eastern news and miscellaneous information which is more or less familiar to other readers. In justice to one class of readers we must inflict another with a little of the tedium of a twice-told tale.

—Mrs. M. L. Sheldon, who for the past ten years has been engaged in insurance brokerage in this city, may hereafter be found at the office of the Liverpool & London & Globe Insurance Company, with which she is associated as solicitor. Mrs. Sheldon is an intelligent, efficient and energetic broker. She is one of the pioneer ladies of California, and was one of the early contributors to the State press.

—The New Zealand Ins. Co. has removed to its own building at 312 California street. The new office is the prettiest in the city. The "fixtures"—counters, desks, tables, railings, etc.—are hard wood of a yellow color. The ceilings and walls are most tastefully decorated in the height of the frescoist's art, and the general effect is simple elegance. Manager Craig's private office is on your right as you enter, while on the left is a row of desks for the solicitors. In the rear is the general office, which has an ample supply of light and every convenience to facilitate the transaction of business.

—The Firemans Fund has reinsured the business of the New York Alliance—the Pacific and Bowery—in the west, excepting eleven of the larger cities.

—The agency of the Oregon Fire Insurance Co. has been transferred from Jacobs & Easton to Hagan, Manheim & Co., with J. W. Staples, manager, and O. N. Hall, special agent.

—Says Mr. Clews, the New York financier: "I am aware that life insurance is an excellent thing. It insures for a man a longer lease of life. He is relieved from all anxiety. Business worry and anxiety kill many men. It is an admirable system."

—Mr. Tarbox has been reappointed Insurance Commissioner of Massachusetts. The COAST REVIEW criticised Mr. T. freely for what was believed to be an abuse of power, but it as freely concedes the ability and official worth of that gentleman, now, and rejoices in his reappointment. Governor Robinson, in reappointing a political opponent, has given an admirable example of true civil service reform.

—The property loss in San Francisco last year was over \$1,000,000. Birmingham, England, a third larger, lost only \$100,000 by fire. Birmingham is a city of brick, San Francisco a city of wood, in the main. Birmingham has only one steam fire engine and five hand engines, and one team of horses, and thirty firemen. The San Francisco department is the equal of any, and it needs to be.

—The great Bancroft fire was started by a little "harmless" candle, carelessly dropped by one employé in passing it to another. This occurred in the packing department in the basement of the furniture store. We wonder in how many other stores in San Francisco lighted candles are used in dark basements or back rooms. As lanterns are plentiful and cheap, why should not the use of candles be prohibited in every policy on mercantile risks? These incendiary candles have been the cause of many costly fires. Had a lantern been used by the furniture store employés, there would have been no fire, and the insurance companies would have been \$300,000 better off.

—Jas. H. De Veuve has been appointed a special agent for the Fire Insurance Association of London. We have heretofore spelled this gentleman's name incorrectly, and he never "kicked." Mr. De Veuve will therefore please step to the head of the class in philosophy.

—We received a delicately printed missive from Mr. and Mrs. Geo. D. Dornin, requesting our "presence at the marriage reception of their daughter Mary Avis and Crayton W. Wilkinson, Tuesday evening, April 27." There were numerous and appropriate presents and a beautiful floral display.

—Vice President Schumann, of the Germania Fire, remarked to Mr. Gutte that he would like to see a great fire in San Francisco during his visit, provided that his company had no risks on the property destroyed. Mr. Gutte took the hint, and on the following day furnished the Vice President with the Bancroft fire, in which his company had no risk. Mr. Schumann expressed himself as well pleased with the workings of the fire department.

—The Pacific Insurance Union held its regular annual meeting on the 7th inst., when officers were elected as follows: Chas. R. Story, President; A. E. Magill, Vice President; Chas. D. Haven, Secretary and Treasurer. The Executive Committee for the ensuing year are the President and Vice President *ex officio*, and the following: Geo. Easton, Geo. E. Butler, Geo. D. Dornin, Chas. A. Laton, L. L. Bromwell, Wm. Macdonald and C. Bertheau. The Committee reelected A. E. Magill, chairman.

—The *Insurance Gazette*, of Ireland, says: America is being flooded with cards of a London firm of brokers, accompanied by circulars stating that they can supply, direct from London, policies of the old Caledonian, Atlas, and Manchester insurance companies, on American risks. We venture to say that no policies of the companies named can be so furnished, and we wonder if any of our American cousins will rise at such a gaudy bait, and if, instead of Caledonian, Atlas, and Manchester, they will find the policies of weak continental companies sent out to them.



—The Manhattan Life Ins. Co. of New York has abolished the "sixty days" clause in its policies. Hereafter claims will be paid on presentation of proofs of death.

—April 16 was the birthday of President Beers, of the New York Life Insurance Co., and the general agents of the company celebrated the occasion by sending in applications for over \$3,000,000.

—Wm. R. Burke succeeds J. B. Carroll to the Los Angeles agency of Hutchinson & Mann's companies. Mr. Carroll goes to Chicago. Mr. Burke is a new man in the business, but he is a "rustler," and will doubtless soon make a record comparing favorably with older workers.

—The proceedings of the tenth annual meeting of the Fire Underwriters' Association of the Pacific has been printed. It is a book of over 100 pages. All the papers and the voluminous contents of the *Knapsack* are included. Upon reading that annual, the editor, Geo. F. Grant, wittily said, with a touch of sarcasm: "In presenting to you the contents of the *Knapsack*, I am depressed by the solemnity of the wit and humor contained therein, which is but partly relieved by the fun of the pathos interspersed through its pages."

—The American Surety Co. guaranteed the fidelity of an employé of the Ætna Life Ins. Co. who subsequently became a defaulter. The American Surety denied all liability for reasons, doubtless good and sufficient, which will appear at the trial of the case. The *Ætna Life* thereupon announced through its own paper, that it would no longer accept bonds from the American Surety. The Ætna folks were too hasty. In denouncing the American Surety Co., and impeaching its honor, for resisting the payment of one claim, they denounce their own company and asperse its character for likewise resisting claims. If it was a heinous offense in the American Surety, it is an equally monstrous offense in the Ætna Life. The conduct of the Ætna people very strongly savors of an attempt to "bulldoze" the American Surety into the payment of a claim which is believed to be unjust in law and equity.

—Honesty's the best policy. Honesty is an old-line life insurance company, which deals only in the best policies.

—The new business of the Union Mutual Life Ins. Co. of Maine for the first three months of '86 was \$1,325,979, against \$810,665 for the first three months of '85.

—W. L. Chalmers, associate manager of the Fire Insurance Association of London, recently visited Washington Territory and Oregon, and appointed new agents for the company as follows: at Portland, Or., E. L. Reed, who also represents the North British and Mercantile; at Tacoma, W. T., Chas. H. Aitken, Jr.; at Seattle, W. T., Chilberg & Co.; at Astoria, Bozarth & Johns.

—"To the blackguard scribbler" who has dared to criticise him, the editor of the *Critic* of New York suggests "that unless he is the sneaking, disgusting, crawling, cowardly cur we believe him to be," he will knock a chip off "our" shoulder. Notice is given to two unfriendly journals that the *Critic* will no longer be sent in exchange. This is positively awful.

—The editor of a Los Angeles medical magazine writes: "We recently examined a Los Angeles tinner for life insurance, who, in answer to the question, 'Have you ever been intoxicated?' answered: 'It is just this way: I was born on the 4th of July, this country was born on the 4th of July, and I was with Grant when Vicksburg capitulated on the 4th of July, and to get through with these three celebrations in one day fills me pretty d— full.'"

—An endowment life insurance policy is a more profitable investment than a United States bond. A four per cent. United States Government bond for \$10,000, at the present average premium, costs about \$12,000. In twenty-five years' time it would amount, principal and interest, to \$20,000. The same sum of \$12,000 will secure a paid-up endowment policy, due in the same time, twenty-five years, for over \$27,000. This is a \$7,000 better return than the Government bond, with the great added advantage that in case of his death at any time during the interim the insured man's family would at once receive the whole \$27,000 or more.

—On the morning before the Bancroft fire, the city agent of the *Ætna* called and requested Mr. B. to take out a policy in that company. A \$5,000 policy was ordered in the *Ætna*, which wrote one for \$2,500, and offered the remainder to City Agent Donnell of the California and Union of New Zealand. It was accepted about twenty minutes before the alarm was given for the Bancroft fire. The following morning the two policies were written and handed to Mr. Bancroft.

—Since our last issue, the Anglo-Nevada Assurance Corporation has been extending its agencies over the Eastern field. The following general agents have been appointed: Davis & Requa, Chicago, for Illinois, Indiana and Iowa; Mills & Ford, New York, for New York, New Jersey, Pennsylvania and Delaware; N. Foster, Jr. and Wise, Boston, for Massachusetts, Maine, New Hampshire, Vermont, Rhode Island and Connecticut; Lawford & McKim, Baltimore, for Maryland and District of Columbia; Adams & Boyle, of Little Rock, for Arkansas; and Lofland & Menard, of Galveston, for Texas and Louisiana.

—The addition of the Pennsylvania Fire Insurance Co. to the agency of Messrs. Brown, Craig & Co. makes a list of seven American companies represented by these gentlemen—four fire, one surety, one steam boiler, and one plate-glass—making a great aggregation of assets, and presenting first-class security. With three fire companies, Messrs. Brown, Craig & Co. received \$274,795 in premiums last year, and incurred \$113,151 losses, a moderate loss ratio of 41.2 per cent. The fire companies now comprising the agency are the Phenix of Brooklyn, American of Philadelphia, Insurance Co. of the State of Pennsylvania, and Pennsylvania of Philadelphia, with combined assets of over \$10,000,000. The remaining companies are the American Surety of New York, American Steam Boiler of New York, and Lloyd's Plate Glass of New York. The city departments are in charge of J. B. F. and S. Davis, who attend to the fire business, and Harry B. Wheaton, who manages the steam boiler, surety and plate glass business.

—Col. Oscar Woodhouse is now city agent of the Hartford Fire Ins. Co.

—The Colorado Supreme Court recently decided that the mutual companies of that State could do a stock as well as a mutual business. The Court also decided that the mutuals were subject to the supervision of the Insurance Department.

—The Fidelity & Casualty Insurance Co. of New York, has created a new class, comprising persons engaged in the least hazardous occupations. They will be insured against death and disability by accident at low rate. Policies will be written for three amounts only: \$2,500 and \$12.50 per week, \$5,000 and \$25, \$10,000 and \$50. The rates are respectively \$9, \$18, and \$36.

—The Insurance Laws of California will issue from the COAST REVIEW press about the 15th inst. Copies can be purchased at this office, or at the office of the Insurance Commissioner. The work is printed on good paper, in small pica type, and will be sold at \$2 per copy. It embraces all the insurance laws of California, and is conveniently indexed with copious side notes. A more extended notice will be given next month.

—The new element in the fire hazard of cities, resulting from the insane and lawless doctrines of the so-called socialists, which we discussed some time ago, has already assumed a threatening aspect. There has been an organized effort to defraud the companies through overinsurance and systematic incendiarism. If the losses were confined to those companies which knowingly or carelessly over-insure the property of these foreign anarchists, there would be grim justice in the crime and no occasion for sympathy. But, unfortunately, other companies and innocent people will suffer. The throwing of bombs in Chicago a few days ago is another evidence of the desperate character of these men. The authorities will doubtless heed the warning and put an immediate stop to the subversive and incendiary utterances of these foreign wretches who so grossly abuse the liberty of which they knew nothing in their own countries.

—The California Life and Accident Association passed the hat for a \$240 claimant, and collected \$160. Peter Reyer, of Gualala, Mendocino county, did unusually well, compared with other claimants; but next time he will take an accident company with a "barrel" of money.

—The Southern California Insurance Company has purchased the Farmers and Merchants Bank building in Los Angeles. The building is 24x132 feet, two stories in height, fronting on Main street and running back to High street. The company's office (241 North Main street) is handsomely fitted up with redwood and Spanish cedar. It is 20x45 feet, with the President's office and the supply room in the rear of a substantial and secure vault, one of the largest and best in the State.

—The neatest insurance report yet issued is that forwarded to us with the "compliments of Alfred Carr, Superintendent" of the Missouri Department. It is well printed on excellent paper. The letter-press is so inviting to the eye that we inadvertently became deeply interested in a thrilling story, entitled "The Market Value of Stocks and Bonds," a tale second only to that about "General Interrogatories," who is more familiar to the students of vulgar language as General Questions.

—An exchange announces, with evident surprise, that England has a pig insurance company. The only thing remarkable about this is, that England should have pigs. We thought America and Ireland monopolized this table delicacy. Why should any one be surprised at the insurance of pigs? Has not Ireland a Cork insurance company? and Germany a Hamburg insurance company? and Constantinople a Turkey insurance company? and Africa a Nubia, a Cape and a Morocco insurance company? and Asia a China insurance company? and England a Pelican, a Lion, a Queen, and a Royal Liver insurance company? and America a Sun, a Star, an Eagle, a Globe, a River, and a Buffalo insurance company? Why, then, this announcement in every insurance journal that a pig insurance company has been organized in England?

—Sam Jones, the revivalist, trusts in the Lord and a \$12,000 policy on his life.

—The estate of the late Rev. Dr. W. A. Scott, a San Francisco divine, was valued by the executrix at \$58,969, of which \$38,000 was collected on five life insurance policies. Of course, all the policies were in old-line companies.

—C. M. Smith, for several years special with the home office of the Northwestern Mutual Life Ins. Co., of Milwaukee, has been appointed general agent of the company for central and northern California, succeeding R. W. Abbott. Mr. Smith is an energetic and skillful solicitor. Louis K. Webb will co-operate with him as an associate general agent. Mr. Abbott will retain a general agency, limited to that part of the State lying south of Monterey, Tulare and Inyo counties, with headquarters at Los Angeles. Francis & Reed are the general agents of the Northwestern Mutual for Oregon and Washington, with headquarters at Portland.

—Whosoever insureth his life in a co-operative association may be "likened unto a foolish man, which built his house upon the sand; and the rain descended, and the floods came, and the winds blew, and beat upon that house, and it fell; and great was the fall of it." Like the fall of so many hat-passers, which are built on the quicksands of assessments. For recent examples, the Order of Mutual Companions, the Mutual Self-endowment and Benevolent Association of America, and the Pacific Coast Mutual Self-endowment Association of San Francisco. But whosoever insures his life in a genuine, old-line life insurance company may be likened "unto a wise man, which built his house upon a rock: and the rain descended, and the floods came and the winds blew, and beat upon that house; and it fell not; for it was founded upon a rock."

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## MRS. M. L. SHELDON

Has removed from 322 California St. to 422 California St. (Office Liverpool and London and Globe Insurance Company).

**FIRE AND MARINE INSURANCE.**



1845.

## THE NEW PERFECTED POLICY

## The Mutual Benefit

LIFE INSURANCE COMPANY,

## NEWARK, NEW JERSEY.

CLEAR—BRIEF—JUST—LIBERAL

AFTER SECOND YEAR

RESERVE FOR LOSS—Resistance to Occupation

NO POLICY FOR LOSS OF LIFE

EASY TO OBTAIN

## CASH LOANS

Made up to One Half of the Reserve on Assignable Policies.

## Annual Dividends! No Stockholders!

ALL PROFITS GO TO POLICYHOLDERS

Interest Receipts \$20,752,002.47 in Excess of all Expenses.

AMOUNT THAT MAY BE BORROWED, AND VALUE IN CASE OF LAISE, AT  
ANY PERIOD, SHOWN ON POLICY IN PLAIN FIGURES.

POLICIES PAYABLE IMMEDIATELY

SPECIAL RATE FOR POLICYHOLDERS OF COLOR

The Best Contract ever Offered.

Assets, - - - \$39,635,528 20

JAMES MUNSELL, JR., Pacific Coast Agent,

415 MONTGOMERY ST., SAN FRANCISCO

1886.

It will take you only 5 minutes to Read this Specimen Policy!

(SPECIMEN POLICY—1ST PAGE.)

Continuous Life Self

TITLE

[EDITION OF MARCH, 1886.]

## Mutual Benefit Life Insurance Company

Incorporated by the State of New Jersey.

No. 000,000. This Policy Witnesseth, That \$10,000

THE MUTUAL BENEFIT LIFE INSURANCE COMPANY,

in consideration of the statements and agreements in the application for this Policy, which are hereby made a part of this contract, and of the sum of *Two Hundred and Fifty One* dollars and *Eighty*cents, to it in hand paid by *John Jones* and of the Annual Premium of *Two Hundred and Fifty One* dollars and *Eighty*cents, to be paid at or before twelve o'clock, M., on the *First* day of *March* in every year during the continuance of this Policy,Does Insure the life of *John Jones* of *Newark* in the County of *Essex* State of *New Jersey* in the amount of *Ten Thousand* dollars, for the term of life, payable to*John Jones* his executors, administrators or assigns, at its office in the City of Newark, New Jersey, upon due and satisfactory proof of interest and of the death of the said Insured, deducting therefrom all indebtedness of the party to the Company, together with the balance, if any, of the then current year's Premium.

Provided, that in case the said Premiums shall not be paid on or before the several days hereinbefore mentioned for the payment thereof, at the office of the Company in the City of Newark, or to Agents when they produce express receipt by the President or Treasurer, then, and in every such case, this Policy shall cease and determine, subject to the provisions of the Company's Non-Forfeiture System as indorsed hereon, with accompanying Table.

This Policy does not take effect until the first Premium shall have been actually paid; nor are Agents authorized to make, alter or discharge this or any other contract in relation to the matter of this insurance, or to waive any forfeiture hereof, or to grant premium, or to receive for the cash due for Premiums anything but cash. Any error made in misdating the age of the Insured, will be corrected by paying such amount as the Premiums paid would purchase at the table rate.

Re-issuance of this Policy shall take effect until written notice thereof shall be given to the Company.

This Policy, after two years, will be Incontestable, except for fraud or non-payment of Premium.

In Witness Whereof, the said The Mutual Benefit Life Insurance

Company has, by its President and SECRETARY, signed and delivered

this Contract, at the City of Newark, in the State of New Jersey,

this *First* day of *March* one thousand eight hundred and *Eighty*

Edward L. Dobbins,

Secretary

Amos Dodd,

President

Teste:

(SPECIMEN POLICY—2d PAGE.)

The Mutual Benefit Life Insurance Company  
NEWARK, N. J.

## NON-FORFEITURE PROVISIONS.

WHEN AFTER TWO FULL ANNUAL PREMIUMS shall have been paid on this Policy it shall cease or become void solely by the non-payment of any Premium when due, its entire net reserve by the American Equitable Mortality and interest at four per cent. yearly, less any indebtedness to the Company on this Policy, shall be applied by the Company as a single Premium at the Company's rates published and in force at this date, either, *first*, to the purchase of non-participating term insurance for the full amount insured by this Policy, or, *second*, upon the written application by the owner of this Policy and the surrender thereof to the Company at Newark within three months from such non-payment of Premium, to the purchase of a non-participating Paid-up Policy payable at the time this Policy would be payable if continued in force. Both kinds of insurance aforesaid will be subject to the same conditions, except as to payment of Premiums, as those of this Policy. No part, however, of such term insurance shall be due or payable unless satisfactory proofs of death be furnished to the Company within one year after death; and if death shall occur within three years after such non-payment of Premium, and during such term of insurance, there shall be deducted from the amount payable the sum of all the Premiums that would have become due on this Policy if it had continued in force.

The following Table shows the amount that the Company agrees to loan (being one-half of the reserve) upon a surrender or assignment of the Policy in consideration of security, after the date for which the insurance will be continued in full force after lapse by non-payment of premium, or the value of the Policy in Paid-up Insurance upon surrender within three months from date of lapse. The figures given are based upon the assumption that the premiums in excess of dividends have been fully paid in cash. If there be any indebtedness upon the Policy, the value as stated in the table would have to be reduced proportionally upon the principles stated in the Policy. The indebtedness, if any, may be paid off in cash, in which case the figures in the table will apply.

NUMBER OF YEARS PREMIUMS PAID	COMPANY WILL LOAN (This column is omitted from Circulars With Policies which are not assigned)	IN CASE OF LAPSE OF POLICY		
		PAID-UP INSURANCE YEARS	DAYS	PAID-UP POLICY
2	8 100	2	3	4 520
3	100	3	32	760
4	160	4	80	1,000
5	200	5	120	1,100
6	260	6	160	1,250
7	400	7	200	1,350
8	470	8	240	1,500
9	510	9	280	1,600
10	600	10	320	1,700
11	660	11	360	1,800
12	720	12	400	1,900
13	800	13	440	2,000
14	900	14	480	2,100
15	950	15	520	2,200
16	1,000	16	560	2,300
17	1,050	17	600	2,400
18	1,100	18	640	2,500
19	1,150	19	680	2,600
20	1,200	20	720	2,700
21	1,250	21	760	2,800
22	1,300	22	800	2,900
23	1,350	23	840	3,000
24	1,400	24	880	3,100
25	1,450	25	920	3,200
26	1,500	26	960	3,300
27	1,550	27	1,000	3,400
28	1,600	28	1,040	3,500
29	1,650	29	1,080	3,600
30	1,700	30	1,120	3,700
31	1,750	31	1,160	3,800
32	1,800	32	1,200	3,900
33	1,850	33	1,240	4,000
34	1,900	34	1,280	4,100
35	1,950	35	1,320	4,200
36	2,000	36	1,360	4,300
37	2,050	37	1,400	4,400
38	2,100	38	1,440	4,500
39	2,150	39	1,480	4,600
40	2,200	40	1,520	4,700
41	2,250	41	1,560	4,800
42	2,300	42	1,600	4,900
43	2,350	43	1,640	5,000
44	2,400	44	1,680	5,100
45	2,450	45	1,720	5,200
46	2,500	46	1,760	5,300
47	2,550	47	1,800	5,400
48	2,600	48	1,840	5,500
49	2,650	49	1,880	5,600
50	2,700	50	1,920	5,700
51	2,750	51	1,960	5,800
52	2,800	52	2,000	5,900
53	2,850	53	2,040	6,000
54	2,900	54	2,080	6,100
55	2,950	55	2,120	6,200
56	3,000	56	2,160	6,300
57	3,050	57	2,200	6,400
58	3,100	58	2,240	6,500
59	3,150	59	2,280	6,600
60	3,200	60	2,320	6,700
61	3,250	61	2,360	6,800
62	3,300	62	2,400	6,900
63	3,350	63	2,440	7,000
64	3,400	64	2,480	7,100
65	3,450	65	2,520	7,200
66	3,500	66	2,560	7,300
67	3,550	67	2,600	7,400
68	3,600	68	2,640	7,500
69	3,650	69	2,680	7,600
70	3,700	70	2,720	7,700
71	3,750	71	2,760	7,800
72	3,800	72	2,800	7,900
73	3,850	73	2,840	8,000
74	3,900	74	2,880	8,100
75	3,950	75	2,920	8,200
76	4,000	76	2,960	8,300
77	4,050	77	3,000	8,400
78	4,100	78	3,040	8,500
79	4,150	79	3,080	8,600
80	4,200	80	3,120	8,700
81	4,250	81	3,160	8,800
82	4,300	82	3,200	8,900
83	4,350	83	3,240	9,000
84	4,400	84	3,280	9,100
85	4,450	85	3,320	9,200
86	4,500	86	3,360	9,300
87	4,550	87	3,400	9,400
88	4,600	88	3,440	9,500
89	4,650	89	3,480	9,600
90	4,700	90	3,520	9,700
91	4,750	91	3,560	9,800
92	4,800	92	3,600	9,900
93	4,850	93	3,640	10,000
94	4,900	94	3,680	10,100
95	4,950	95	3,720	10,200
96	5,000	96	3,760	10,300
97	5,050	97	3,800	10,400
98	5,100	98	3,840	10,500
99	5,150	99	3,880	10,600
100	5,200	100	3,920	10,700

Each hour of work for less than fifty dollars.

B J MILLER, Mathematician.

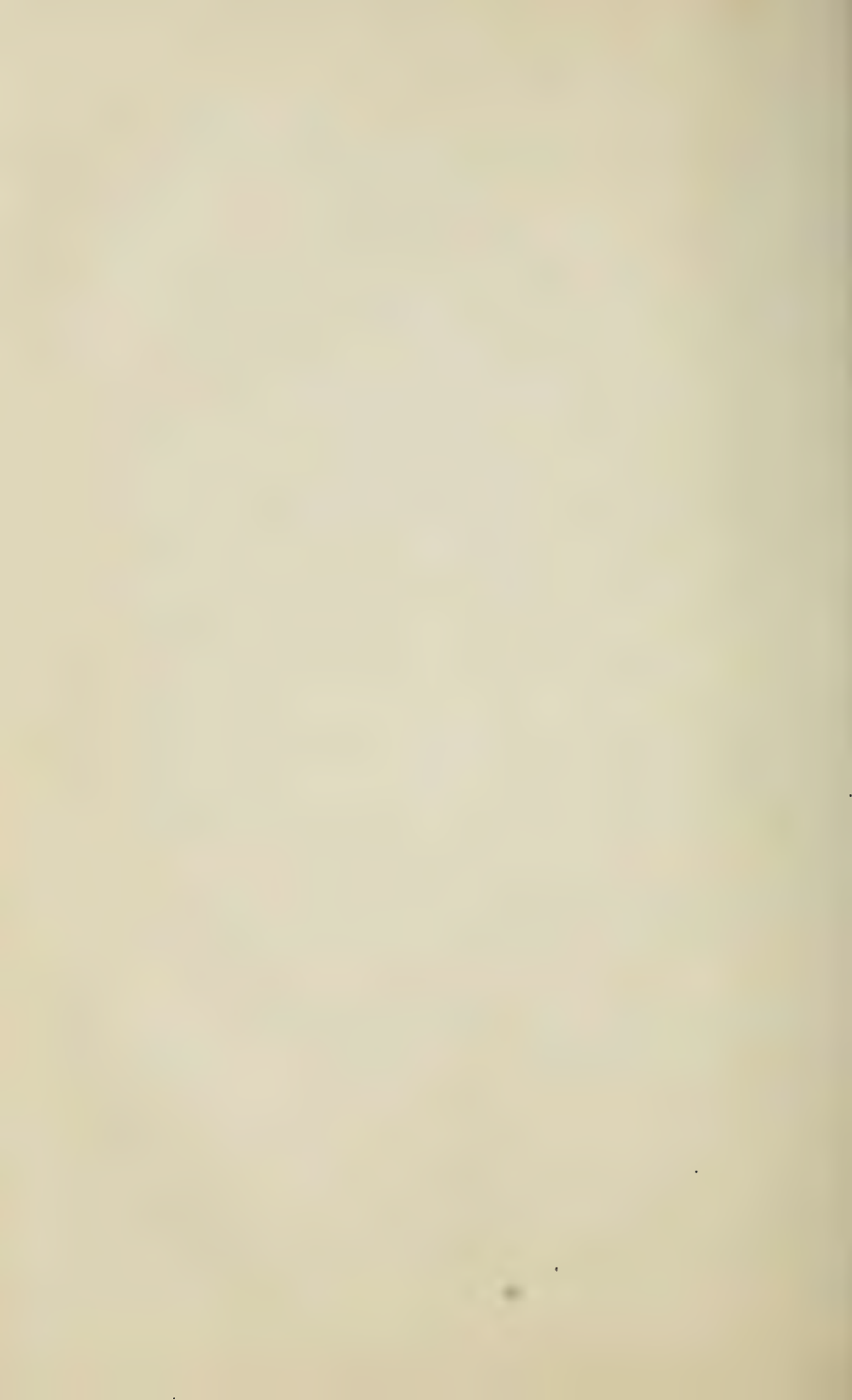
## COPY OF APPLICATION TO

## The Mutual Benefit Life Insurance Company

OF NEWARK, N. J.

I hereby apply for an insurance of \$10,000 on the Continuous Life plan, premiums payable annually with The Mutual Benefit Life Insurance Company, on the life of *John Jones* born at *New York*, state of *New York*, on the *First* day of *January* 18*86*, at present and for *10* years resident at *Newark*, County of *Essex* State of *New Jersey*. I hereby warrant that he is not intemperate in the use of stimulants or narcotics. I agree that the amount given in receipt to the policyholder of the Agent and Receiver when I declare and warrant to be true, shall be the basis of no contract with the Company, and that such contract shall at all times and in all be held and construed to have been made in the City of Newark, New Jersey. I also agree that it within two years from this date the insured shall, without the written consent of the Company, reside or travel abroad for more than 12, or if the United States, Canada, or Europe, or shall within such period and abroad such contract, be personally engaged in blasting, mining, salubrious operations, or in the working of explosives or in service on any railway, train, or on canal or sailing vessel, or in naval or army service in time of war, the policy hereby applied for shall thereupon cease and determine.

Dated at *Newark, N. J.* this *First* day of *March* A. D. 18*86*.  
Witness *Henry Brown* Signature *John Jones*,  
Witness *Henry Brown* Signature *John Jones*,  
(This space devoted to witnesses at all times is to be left unoccupied in life and is not in the nature of a sign.)



used as a restaurant and bakery, and had a large brick oven in the basement. Defendant claimed that there were two material misrepresentations, and that plaintiff had failed to state in his application the existence of the brick oven. The agent knew that there was such an oven in the building. *Held*, That the failure of insured to mention the oven cannot be presumed to be a fraudulent concealment that will violate a policy, especially where the agent knew of its existence.

RESTAURANT AND BAKERY DESCRIBED AS A STORE.—*Ibid.*—The objection is that the use of the building is stated to be for stores and residence, and that a restaurant and bakery is not a store. The question presented cannot be regarded as whether this language is technically accurate. It can only be material if so inaccurate as to mislead to the extent of probable prejudice and injury. The word "store" is commonly used in this country as the equivalent of the English word "shop," which is very generally applied to what we call a "bakery," as it is to any room or building where any kind of article of traffic is sold. The American word "store" applies to the building—the name more strictly belonging to the collection of wares within it. The English "shop" is the building itself, as distinguished from a place of sale which is open, like a "stall." *Rich. Dict.*: "shop." A "restaurant" has no more defined meaning, and is used indiscriminately for all places where refreshments can be had, from the mere eating-house or cookshop to the more common shops or stores where the chief business is vending articles of consumption and confectionery, and the furnishing of eatables to be consumed on the premises is subordinate. The testimony does not indicate that a restaurant or bakery is more dangerous than any other grocery or provision store, and the fact that the impropriety of using the phrase "store" does not appear to have occurred to either the general or local agent, or to any one else, until this suit was brought, is reason enough against our attempting to declare, as a matter of law, that the word is dangerously misleading, and a misrepresentation. Those gen-

tlemen are both intelligent, and acquainted with the usages of correct language, and if dictionary-makers fail to approve certain uses, it does not follow that the people who resort to them are wrong, or that they do not know what they mean by their own terms.

#### MARINE.

ALTERATION AT REQUEST OF HOLDER—*Martin v. Tradesman's Ins. Co.; N. Y. C. of A.*—A policy of insurance on a boat was issued to the agent of the mortgagees of the boat on account of one Martin and others as owners. Subsequently, at the solicitation of another agent of the mortgagees, the names of Martin and the others were erased, and that of one Garvey inserted as owner. *Held*, That such alteration was not a tortious act on the part of the insurance company, and did not constitute a conversation of the policy, and that the plaintiffs suffered no damage from the act complained of.

RUNNING AT FULL SPEED IN A FOG—*Richelin Nav. Co. v. Boston Marine Ins. Co., U. S. C. C., Mich. Jan. 13, 1886.*—At a time when the vessel was running at full speed, the weather was thick and the fog dense and so continued all night, and near three o'clock A. M., at a time when one could not see the length of the boat, she stranded on an island, about 400 feet from the shore. The shore could not be seen, and from the sounding taken, the testimony indicated that had the vessel been running at half speed she might have been backed off. *Held*, That the violation of law and the unseaworthiness of the steamer raised the presumption that the stranding was the consequence of negligence and unseaworthiness, and were the approximate causes thereof.

LIMITED LIABILITY ACT.—*Craig, Admr., v. Continental Ins. Co.; U. S. D. C., Mich., February 8, 1886.*—In November, 1883, the *Enterprise* went ashore on Green Island, in the northern part of Lake Huron, and while in that condition was abandoned to her underwriters, of which the defendant was one. Upon receiving notice of the loss, the underwriter's general agents sent word to Cap-



tain Rardon to organize an expedition to go to her relief. Rardon hired a tug and steam pumps, went to Green Island, got the *Enterprise* off, and started with her for Detroit. John Carbry, the plaintiff's intestate, was the engineer of the steam pump on the *Enterprise*, and in the immediate employ of the owner of the pump. Almost half way down the lake and off Point Aux Barques, the *Enterprise* suddenly filled and sunk with all on board. The plaintiff claimed that Rardon was negligent in attempting to cross the lake at that season of the year without having made a more thorough examination of the vessel's condition. He recovered a verdict of \$8,000, and the defendant moved for a new trial.

*Held*, That the most important question in this case, and one which goes to the entire merits of the plaintiff's claim, arises upon the request of the defendant to charge that the limited liability act is a complete bar to the action. This act, which, so far as it is applicable to this case, is embodied in Rev. St. § 4284, declares that "the liability of the owner of any vessel for any

\* \* \* \* act, matter, or thing, loss, damage, or forfeiture, done, occasioned, or incurred without the privity or knowledge of such owner or owners, shall in no case exceed the amount or value of the interest of such owner in such vessel, and her freight then pending." It is conceded in this case that the *Enterprise* became the property of the defendant by virtue of the abandonment, and that she became a total loss at the time of the death of Carbry. If the act applies to this case, it follows that the liability of the defendant was extinguished by the sinking of the vessel. There is no doubt that when the loss is total this fact may be pleaded, and no proceedings under the statute are necessary.

*Held*, That the *Enterprise* was still a vessel, though seriously injured by the stranding, and was in condition to do damage to other property. It certainly cannot be the law that the owner loses the protection of the act the moment his vessel goes ashore, and that he must abandon her then at the peril of waiving this defense.

It was further insisted, however, that the act did not apply, as the negligence was not

without the privity or knowledge of the owner. This position assumes that the knowledge and privity of Rardon was that of the insurance company; in other words, that he stood in position of owner to this vessel. *Held*, That none of the reported cases are decisive. Few of them throw any light upon the point. It was held in *Walker v. Transportation Co.*, 3 Wal. 150, that the owners of the vessel were entitled to the benefit of the act, notwithstanding the negligence of their officers and crew; in other words, that the negligence of the owner must be a personal negligence; but the question, who is the person whose negligence shall deprive a corporation owner of the benefit of the act was not considered. This ruling was followed in *The Whistler* 2 Sawy., 348, and in *Chisholm v. Northern Transportation Co.*, 61 Barb. 363. Such is also the ruling of the English courts. In *Lord v. Goodall*, 4 Sawy., 292, it was said that when the owner is a corporation the privity of knowledge of the managing officers of the company must be regarded as the privity and knowledge of the corporation itself; citing cases wherein it was said in reference to this act that "if the owners are a corporation, the president and directors are not merely the agents or servants, but the representatives of the corporations, and the acts, intentions, and negligence of such officers are those of the corporation itself." *Held*, That in this class of cases the question is not one of exemption, but of limitation of liability. The act does not contemplate that the owner shall be exempt from liability by reason of the negligence of his servants, but that his liability shall be limited to his interest in the vessel, unless his personal negligence shall have contributed to the loss. Rardon was not an officer of the corporation. He was not its general agent. He was the marine inspector and wrecking agent of four companies, of which the defendant was one. He was not even employed directly by the corporations, but by their general agents at Buffalo; and so far as the record shows neither the president nor the directors of these corporations had any knowledge of his appointment. His powers were no greater than those of the master of a vessel, whose authority to

employ assistance when his ship is stranded is beyond dispute. If the owner had been an individual instead of a corporation, it would have seemed clearer that Rardon did not stand in his place, but the law applicable to the case would have been the same. We are entirely clear, in our opinion, that the case is within the act, and that the judgment should be for the defendant.

**DEFECTIVE COMPASS AND UNSEAWORTHINESS.**—*Ibid.*—The vessel was running with a defective compass when she stranded. *Held*, That a steamer equipped with a defective compass is unseaworthy, and, so far as such unseaworthiness is a defense to the underwriter, it is immaterial whether it is known to the owner or not.

#### LIFE.

**PAID-UP POLICY.**—*Bruce v. Continental Life Ins. Co.*, Ver. S. C., Feb., 1886.—Action by administrator, whose intestate took an endowment policy in defendant company, in which it was provided that if, after the payment of two or more annual premiums, default should be made of any subsequent premium, the assured should be entitled to a paid-up policy for as many tenth parts of the original policy as annual premiums had been paid. The premiums were paid part in cash and part in notes, and it was provided in the policy that if the assured should not pay the interest in advance each year on the said notes, then the policy should cease and determine. The assured paid four annual premiums, and then claimed a paid-up policy for four-tenths of the original policy. The company resisted, claiming the assured must pay the interest on his premium notes each year until the maturity of the policy, in order to be entitled to such paid-up policy. *Held*, That the plaintiff was entitled to a paid-up policy for four-tenths of the original policy.

**DIVIDENDS.**—*Ibid.*—The policy was described in the margin as a non-forfeiture endowment policy, *with profits*. The agent represented to the assured that the profits to which he was entitled would come by the way of dividends, which would be payable

after four annual premiums had been paid; and that if he took a paid-up policy the dividends would be applied when he took such policy. *Held*, That the question was not what the company ought to have earned, but what in fact did it earn; that the company was bound to so conduct its business as to preserve its solvency; that it was warranted in changing from the percentage to the contributive plan if that would best subserve the interest of all classes; and that assured was entitled to dividends under that plan.

**LIQUOR CLAUSES IN POLICY.**—*Northwestern Mutual Life Ins. Co. vs. Hazlett*; Ind. S. C. Jan. 27, 1886.—Where a policy of insurance contained two clauses, concerning the use of intoxicating liquor by the assured, in one clause declaring that if the assured should ever become intemperate, or so far intemperate as to impair the health or induce delirium tremens the policy should be void, and in the other clause, that if the assured should be guilty of such conduct the company might cancel the policy and be absolved from liability. *Held*, That the clauses are inconsistent, and that courts will construe the policy most favorable to the assured, and against a forfeiture of it. Especially where the answer does not show that the company had elected to cancel the policy.

**SUICIDE.**—*Ibid.*—Where one insured in a policy which provided, if the assured died by his own hand, the policy should be void; and where the insured's death results from accident by his having taken an overdraft of whisky, while in an enfeebled condition, which had resulted from causes over which he had no control, which was not expected or intended to produce death. *Held*, That his death was produced by an act which at the time it was entered on or engaged in, was not intended or expected to produce death, and therefore cannot be said to be within the meaning of the policy as a result of his own act.

**BURDEN OF PROOF.**—*Ibid.*—Where a complaint is attached on the ground of the truth or false statements of the assured's answers

in his application. *Held*, That the burden of proving the false and fraudulent answers in his application is upon the defendant.

**DUTY OF INSURED TO READ THE APPLICATION.**—*New York Life v. Thomas C. Fletcher, Exec.; U. S. S. C., March 29, 1886.*—*Ins. Law Journal*, June.—The application was a warranty that if the answers were in any respect untrue the policy should be void, and agreed that as the policy was to be issued at the home office where only the written statements were to be acted on, no representations made by the party soliciting the insurance should be of any binding force unless reduced to writing in the application. Evidence was given that statements regarding the bodily health were untrue in a material respect. But it was claimed that the agent was fully notified of all the facts and declared that they were of no consequence, and that further the agent filled in the application, and that the answers were correctly made to him by the insured; an abstract of the application was also appended to the policy, and the attention of the insured was called to it with the request that the company should be informed of any inaccuracies in order that they might be canceled. *Held*, That it was the duty of the insured to read the application, and it was error to instruct that if the insured was fraudulently misled by the agent, the company was responsible. *Held*, That the retention of the policy by the insured with the abstract of the application appended, was an acceptance of the application which made the holder a participant in any fraud, and the consequences could not afterwards be avoided.

#### ACCIDENT.

**WAIVER OF FORFEITURE BY RETAINING PERSONAL OBLIGATION OF ASSURED**—*Bane vs. Travelers' Ins. Co.; Louisville Sr. C., April, 1886.*—Where an insurance company has taken the personal obligation of the assured to pay a premium at a fixed time on pain of forfeiture, the forfeiture is waived by retaining such obligation after maturity, without notice to the assured of an intention to declare the policy void, but where the assured, as in this case, has simply given an

order on his employer for a certain sum to be paid by installment out of his wages for specified months, and after certain of the installments have been paid the order for the remaining installments becomes worthless by reason of the failure to work during the months out of the wages of which they are made payable, the failure of the company to return the order does not operate as a waiver of the forfeiture. This company cannot demand payment of any installments out of the wages of any other month than that specified in the order as the month out of the wages of which that particular installment shall be paid.

#### ASSESSMENT.

**ASSIGNMENT.**—*Jackson v. Anderson; Louisville C. A., May, 1886.*—Appellants, husband and wife, assigned to appellee a policy of insurance issued by the Grangers' Mutual Benefit Society upon the life of the wife, and payable upon her death to her husband and children. The society having begun to decline, appellee permitted a forfeiture of the policy by non-payment of dues, and now institutes this action to rescind the contract of assignment. It seems that appellee made a business of speculating in such policies, and it is assumed that he purchased the policy in this case under the belief that it was assignable. *Held*, That while neither the husband nor wife had the right to contract with reference to the policy, yet both having contracted, the husband upon the death of the wife would not have been entitled to his part of the proceeds of the policy without restoring to appellee the consideration received and the dues paid; therefore the entire destruction of the policy in appellee's hands precludes him from the relief sought.

**CHANGING BENEFICIARY.**—*Louisville S. C., April, 1886.*—The Ancient Order of United Workmen issued a certificate to a member payable at his death to his brother. At the insured's request the certificate was deposited with the subordinate lodge, subject to his orders. Subsequently he desired to substitute his wife as the beneficiary and so wrote the lodge which refused to then make the change because no 50 cents was enclos-



ed. A letter of inquiry found the assured dead. Then the letter was sent to the Supreme Recorder and the certificate changed as directed, it being antedated so as to appear to have been issued before the death of the member. *Held*, That as the Financier of the lodge to whom the letter was written directing the change in the certificate had no right to do a single act officially in regard to the change or issue of the new certificate, that letter was but a bare authority to him to have the change made which was revoked by the death of the writer before anything was done under it. Therefore, any change in the certificate made after the death of the member cannot affect the beneficiary under the original certificate which was in full force at the time.

**LIABILITY OF MEMBERS OF ASSESSMENT SOCIETIES**—*Seitzinger v. New Era Life Association*; Pa. S. C., Feb. 15, 1886.—The lower court made absolute a rule restricting the operation of the verdict, judgment and execution to assessments collected and to be collected by the association from its members. The Supreme Court has reversed this rule, and remanded the case for further proceedings. The Court said: We think, however, in view of the circumstances, the restraining order should not have been made. A period of nine months after final and general judgment on the verdict was quite sufficient to enable the defendant to raise the money by assessments, if such a method was really intended. The mere fact that at the expiration of that period only \$235 had been raised with which to pay almost \$6,000, was highly persuasive evidence that either the company or its members did not intend to pay the judgment if they could avoid doing so. All matters of defense against the claim had been heard and considered on the trial after a long delay of nearly four years from the maturity of the claim. A general judgment without any limitation or restriction has resulted from the trial. We are not conscious of any reason which could suffice for a practical denial of the fruits of the judgment, except one which referred the whole duty of payment to the mere will of the defendant or its members, and such a reason is not for one moment

tenable. Even granting that assessments were the source of payment contemplated by the parties to the contract, it cannot be considered that either the making or the payment of such assessments depended in any degree upon the mere option of the company or its members. We have examined the petition upon which the restricting order was granted, and we fail to discover any fact therein set forth which would justify interference by the Court with due process to enforce payment of the judgment.

### Conviction of Lorenzo Dimick.

THE BUFFALO MARINE INSURANCE AGENT IS SENTENCED TO FIVE YEARS' IMPRISONMENT FOR FRAUDULENT PRACTICES.

Lorenzo Dimick, general agent of the marine department of the Continental Insurance Co., at Buffalo, N. Y., has been convicted of grand larceny and sentenced to five years' imprisonment, with hard labor in the Auburn penitentiary. There were eleven similar indictments against him. The case is an extraordinary one.

In 1830, Dimick was the general agent of the marine department of the Continental Ins. Co. of New York. In January, 1831, he formed a co-partnership with Thomas O. Crosby, of Chicago, who was then the agent of the Union, of Philadelphia, and the Insurance Co. of the State of Pennsylvania. The business was carried on under the firm name of Crosby & Dimick, but the latter retained the marine agency of the Continental. In January, 1833, the Thames & Mersey was added to the firm's agency. The season of 1833 was the most disastrous in the history of marine underwriting on the lakes. Dimick shifted risks from the Continental to the three other companies whenever he learned that a vessel insured in the former was in distress or probably lost. The Continental therefore did a highly profitable business, despite the disastrous character of the season. During the year 1833, the Union, the State of Pennsylvania and the Thames & Mersey lost in the aggregate nearly \$900,000, or over \$600,000 in excess of the premiums; while the Continental, whose premiums equaled that of the other three companies, lost only \$40,000.

An examination of Dimick's books showed about thirteen systems of fraud. If the Continental had a large line on a vessel, Dimick would report no re-insurance on her until after she arrived in safety. But if any accident happened to her, or she became a total loss, he would immediately re-insure with the other companies, reducing the line of the Continental to a very small sum. Another method was the reinsurance of large parts of the other companies' risks in the Continental after the safe arrival of the vessel. Enormous risks were carried in the favorite company on the same vessel for a number of voyages, and then, *mirabile dictu*, on a voyage when an accident happened to the vessel, the Continental was so lucky as to have reinsured in the other companies.

It is stated that Dimick's remuneration from the Continental was 20 per cent. on the premiums which he received, and 15 per cent. on the profits. Crosby & Dimick's remuneration from the three other companies was 25 per cent. on premiums and only 10 per cent. on profits. By throwing all the losses one way, he secured an enormous sum from his contingent commission. His interests lay with the Continental because he was its sole representative.

### The People's Life and Accident Benevolent Association.

#### THE SECRETARY'S LETTER TO A CLAIMANT.

HE IS TOLD THAT HE CAN GAIN NOTHING BY BRINGING SUIT.—THE SAN FRANCISCO HAT-PASSER UNABLE TO PAY ANYTHING.

The People's Life and Accident Benevolent Association of California is a San Francisco co-operative which numerous clamoring claimants know to their sorrow. In the April COAST REVIEW we gave the names of several members whose claims, though admitted to be just, remain unpaid because of the inability of the association to collect "the needful." The members don't "chip in" as they are expected to do.

A Folsom claimant threatened to sue the association. This threat elicited a long letter from the Secretary, A. G. Swain, who admitted that the claim was a fair one, but confessed that the association was unable

to pay it, because "there has been such a let up on business" lately. The obstreperous claimant is informed, however, that he can gain nothing by bringing suit, as there is "no property to serve execution upon."

We print herewith this letter of the Secretary. It ought to kill the association immediately, for surely no man in his senses would insure in such a concern after reading the letter. The facts, as acknowledged over the signature of the Secretary, are that the People's Life and Accident Benevolent Association cannot pay a small just claim, that there is no property to serve execution upon, and that a suit to force the payment of any claim "would be a waste of time and money." It is time to announce the funeral of this hat-passer. The Secretary will be the chief mourner:

SAN FRANCISCO, April 24, 1886.

*John M. McCallam, Folsom*—DEAR SIR: YOURS OF 19th received and contents noted. In reply, will say that appearances warrant you in thinking as you do; but the facts when looked into will not bear you out. We have never disputed your claim, and from the facts elicited, believe it to be a fair and just one, and we regret our inability to pay it promptly, but the facts are that *there has been such a let-up on business* in the past four months and over, that the assessments received have not been sufficient to pay all demands that have been made upon us, and you know that claims are only paid from assessments. *You can gain nothing by bringing suit*, or, as you express it, showing the character of the association. There being *no property to serve execution upon*, a suit would be a waste of time and money, and you would be no better off. Your attorney, Mr. Rankin, who called here, will tell you the same thing.

I do not wish you to think I am treating this matter lightly, for I am not. We wish to do fairly by you, and hope you will do so by us. Our agents have just started in to work in the country, and we will soon be reaping some benefits; and we will also levy an assessment on May 1st, returnable June 1st, and there is no doubt but by June 1st we will be enabled to pay a *part* of the amount due you, if not the whole. Now, in view of an early settlement, do you wish to sue? We will be pleased to settle at an earlier date should the money come, but to do so now is impossible.

If, in view of the foregoing, nothing but suit will satisfy you, we will have to abide the result.

Yours respectfully,

A. G. SWAIN, Sec'y.

Another disappointed claimant was a Mr. Johnson of Cherokee, Cal., who lost an arm. By the terms of his policy he should have

received \$750, being insured for \$1,500. He received only \$100. Mr. McCallam, of Folsom, doubtless thinks Mr. Johnson was lucky to get even 13 per cent. of his claim.

### Portland Correspondence.

PORTLAND, OR., May 29, 1886.

DEAR COAST REVIEW:—Prithee, where is the usual "Portland Correspondence" in your past journals? Anxiously have I looked and looked in vain. "Naols" has not succumbed, for yesterday I saw him ambling his way up the street, evidently intent on getting there.

Portland underwriters have had an honor conferred upon them, or at least one of the fraternity has, and we collectively congratulate J. W. G. Cofran upon his promotion to the managerial chair at your point, where he will swing the scepter of authority with equal grace and discriminating ability, as he has in this territory for the past six years. John, by his intelligence and square acting, has undoubtedly shown the Eastern "fathers" that efficiency can be found in the far Northwest. So, my Portland readers, be not discouraged; your untiring efforts may not be in vain.

As a matter of fact, your journal deals with fires, and since January 1, 1886, we have had in Portland fires whose losses amount to \$32,815, against an insurance of \$11,295. Of the above losses, \$20,712 was on Smith Bros. & Co.'s steam sawmill, leaving losses outside of those figures for Portland only \$12,103.

Times are mending for the better, and if it keeps on this way we will soon be again on top. If your correspondent is correct, a term of ten years is usually allowed a company in a certain district to show if the investment of the company has been a profitable one. That time is now closing upon some of us, when no doubt those in authority will look up the losses and gains, and the die will be cast. They also must bear in mind that insurance is of slow growth; it has not been developed in a day or year.

It is difficult to believe that there were times when life and property were alike unprotected. This state of things is wholly changed now. Every prudent man insures

his life; every sensible owner of property secures it against the ravages of fire. The farmer secures his crops; the ship-owner would be considered insane who trusted his property to the mercy of the wind and waves without taking measures to indemnify himself in the event of anything befalling them. With the enjoyment of these advantages comes the natural indifference to the means by which it has been obtained. Millions enjoy its advantages, and never care to inquire how they have been realized. By steady and imperceptible degrees it has asserted itself as a principle only second to ethics in its beneficial influence on society.

Were it not for the humble insurance agent, running about appealing to the intelligence and right feeling of those they address, and thus continually breaking fresh ground, fire insurance would still be but little known. So that if the ten years does not show a profit, the fault may not lie at the door of the agent who has labored hard and assiduously in behalf of his company as well as to pay his own honest reasonable debts.

While I am on the subject of debts, a few remarks might not come amiss. What a disagreeable feature it is, to be sure, to solicit your renewal, and be told that owing to circumstances entirely unavoidable the risk has been placed elsewhere. Where personal friendship exists, the outcome is told you that he could not help it; that so and so owed him, and the only way he could possibly get his money was to give him the insurance. There is also the insurance sharp, "who takes it all out in trade." And, again, the indefatigable chap turns up smiling to a new store, and with plenty of "assurance" begins the old story: "I am well known here, and I command considerable prestige, and I can run in a goodly number of customers," and the merchant, taking him at his word, and with an eye to his own prospects, gives him the line, only to find out that his prestige was a myth. Such nefarious ways of getting risks are practiced here, and I presume always will be. In my opinion an agent or solicitor who uses such slop-bucket measures to obtain business, who cannot be a success on his own merits and that of his



company, is not worthy of the name. Will these writings cause a blush to mantle their brows? Not much, it would be a most laughable sight.

Some few weeks ago Messrs. G. H. Steel & Co. had the placing of \$30,000 insurance on H. Sax Bros. water power flour mill at McMinville, and they were beset on all sides by agents for their overplus. Some few were comforted by a slice, whilst others felt grieved that they were forgotten. The grievously inclined few now rejoice—for the mill has burned—thus it is that the finest mill in the State (so considered) was sold, and the near future will disclose whether at a profit or loss. The new "Anglo-Nevada" will receive by this its first Webfoot wetting.

As to the compact, it seems to be working smoothly. Mr. Niles has so large a field to operate that we are often put to some inconvenience and annoyance in getting the compact to recognize reductions consistent and commensurate with the risk, owing to the renewal of entire buildings, and in other cases a lesser hazard taking the occupancy, the assured prefers to withhold renewal in such cases, until rate is reduced, necessitating our constant vigilance against some flowery speech by our competitor, we thereby losing and he gaining the risk, subject of course to said reduction. On the other hand, increased hazards are renewed at old figures, very detrimental to companies' usual rules and inadequate rates, "booked" during Mr. Niles' week of absence. If manager Stillman would kindly facilitate our efforts where correct diagrams are given in both of above cases, appreciation would only be to well shown. AGENT.

The twentieth annual meeting of the National Board of Fire Underwriters was held in New York on May 20th. The officers elected for the ensuing year are: President, D. A. Heald, of the Home of New York; Vice-President, D. W. C. Skilton, of the Phoenix of Hartford; Secretary, John L. Thompson, of the Pennsylvania Fire; Treasurer, J. S. Parish, of the Atlantic Fire of Providence. An anniversary celebration will be held on the 20th of July, at which time President Heald will deliver his annual address.

## New Life Business.

NEW BUSINESS NOT ESSENTIAL TO A LIFE COMPANY.

In the annual report of the Massachusetts Department, just issued, Commissioner Tarbox discusses the necessity of new business for life companies, and concludes that it is not essential to any well-conditioned company. Such a conclusion is inevitable. It is the freedom from such necessity—the ability to dispense with new business and yet execute all contracts—that radically distinguishes level premium from assessment insurance. The co-operatives must have new business always or die; and die they must, for they cannot always get new business. Old-line companies may dismiss their agents and solicitors and close the doors to new business, yet so perfect is the system that every claim can be paid when it matures. We quote from Mr. Tarbox as follows:

Is new business essential to a life company? An affirmative answer would demolish the whole fabric. The inquiry challenges the foundation. If to sustain its solvency—which means its ability to pay its debts in full as they fall due—a life company must continually acquire new business, it has the same defect as life insurance on the assessment plan, and in the course of events it must fail and dishonor its obligations. That it will die is inevitable, since it is not exempt from the mortal law of all human institutions, but—and therein it differs from a company on the assessment plan—it should leave an estate ample to satisfy the demands of its creditors. My belief is that any well reputed and well established life company could at any time, voluntarily cease to solicit business, issue no new policies and, under a capable administration of its affairs, fulfill its obligations as advantageously to its policyholders. Indeed, I am not sure but some would do better so for their present constituents than to go on and secure new business at its cost under existing methods. The fate of life companies which have failed does not impeach the soundness of this proposition. Their calamity was prepared and came from

other causes than inability or neglect to obtain new business. Some entirely sound companies in Europe and America have considerably less insurance in force than formerly, and yet are as staunch as ever. If a company is solvent, it is so upon the basis of its present business and natural result of its existing contracts. Our tests of solvency do not regard at all the probability of prospective business, but consider only the consummation of contracts already made and anticipate the mortality of the then insured lives alone. If our tests be true, the conclusion of permanent solvency without accession of new lives, is inevitable. The fear of adverse selection by the withdrawal of the better class of insured lives, and hence an unexpected mortality, is not well founded. If the company be solvent and in proper control, as may clearly be made to appear, no inducement to such withdrawal will exist, and any loss therefrom or from lack of profits from new business will be fully compensated by the surrender charge or forfeitures and the reduction in expenses. Where a company has suffered by such adverse selection the explanation is found in the distrust of its policy holders in its financial ability to carry out its contracts, a distrust created by its bad reputation. Policy holders would not withdraw if assured that their policies if kept in force would be paid in full when due, an assurance readily confirmed in the case of a really sound company.

I conclude that new business is not essential to a well-conditioned company, and is advantageous only provided it is of good quality and got at reasonable cost and on a reciprocal basis, and that the company worthiest of commendation and trust is not necessarily the one which carries the largest volume of business, but is the one, large or small, whose quality of business is best and obtained at least cost, and whose affairs are carried on with the least relative expense.

The three New York companies doing a plate-glass business, received \$364,868 net in premiums, of which 46 per cent, or nearly half, is to be credited to the Lloyd's Plate Glass Ins. Co.

### Graded Assessments—False Representations.

Intelligent advocates of assessment insurance admit that graded assessments are simply just to old and young alike, and the better class of co-operatives levy assessments according to the life expectancy of members. To require the young to pay as much as the old is to despoil the former for the benefit of the latter. The equal assessment plan is really an element of weakness, for it repels the young and attracts the old, and therefore tends to create an abnormal death rate. The speedy failure of so many co-operatives may be fairly ascribed to the equal assessment plan, whereas had the assessments been graded, the proportion of the young members would have long postponed the inevitable failure. The Massachusetts Commissioner discusses this question as follows:

Upon the subject of a proper gradation of assessment rates by companies on this plan, I remarked in a communication to the last legislature:

That the assessments for the death benefit, or insurance paying fund, shall be proportioned to the relative expectancy of life of the several members in accordance with mortality experience, is an essential condition, properly to be enforced by law.

The legislature did not incorporate such a provision in the law, and the matter is left to the discretion of the companies. How wisely they shall employ that discretion will importantly affect their success. The "step-rate," whereby the insured pays for each year of his insurance the assessment rate proportioned to his age in that year, is the equitable and logical one. Furthermore, it is my conviction, that no life insurance company, except on the plan of an adequate reserve, can permanently prosper on any other assessment basis, unless it can by some expedient secure equality in cost to its members.

One of the companies proposed a contract by which the insured was to pay a certain number of assessments for a fixed sum annually. This, I am advised by the attorney-general, a company on the assessment plan may not do. The mortuary assessments, beyond a single one, must be to pay

actual and not anticipated losses. But it is competent to provide in the contract for stated periodical assessments to pay claims due, and that mode has reasons to commend it.

Aside from an honest and capable business management, and just assessment rates, important conditions of success with an assessment company are a moderate death rate, which implies a judicious selection of lives, the foundation of all successful general life insurance; a substantial maintenance of membership, whereon depends its financial ability; prompt payment of claims, which is demanded by good faith to its members. When such a company fails in these particulars, it forfeits its title to confidence. To enforce these conditions is the object of recent legislation. The law in effect proposes that no company unable to comply with these conditions shall continue to do business with the public.

The contract must be absolute to pay a specific sum upon the happening of the contingency it insures. The law does not, as it could not well do, compel an absolute provision for the payment nor make individuals of the corporation personally liable; that were incompatible with the nature of the transaction. But when the corporation cannot perform its contracts, it must stop business; that inability exists when its membership so declines that the assessments, together with any available reserve, prove insufficient to pay in full the benefits contracted for; and the law judges that when the corporation falls into such a condition, public considerations forbid that it should longer be allowed to disappoint the public with promises it cannot fulfil.

**FALSE REPRESENTATIONS.**—Much prejudice has been done assessment insurance by false representations put forth as to the cost of insurance under that plan. The cost of a year or two has been made to appear as a fair estimate of future cost. That expectation is doomed to defeat; and the failure to realize it naturally creates disappointment and distrust on the part of people misled by it. The law of mortality is as inexorable with assessment associations as with companies on any other plan; and that

the death rate and consequent cost of insurance in these associations will increase with their age up to a certain limit is inevitable. None of the companies, now in business, have reached that limit yet, nor will they for years to come, however fortunate. Meanwhile their assessments will be larger in amount or number. Rather than vainly attempt to explain their more frequent losses, which is due to natural causes and not to unusual mortality or other exceptional circumstance, they will more wisely instruct their patrons in the simple knowledge that life insurance cannot be furnished for less than cost, and that the cost in large part is fixed by natural laws, which no human wit can circumvent. If they can hold their annual death rate within the proportion of fifteen to the thousand lives, they will do as well as they can reasonably anticipate.

#### Assessment Insurance in Massachusetts.

The Massachusetts Insurance Commissioner says that whatever its ability to insure for life, the assessment plan should be able to provide reliable temporary insurance. Thousands resort to it for that limited purpose who do not trust its permanence. Even this confidence is impeached by the circumstance that four assessment life companies, which were in apparent good condition a year and a half ago, have since met their fate and gone out of business, with nearly a hundred death claims due and no means provided for their payment. It seems that the law might so provide as to arrest the operations of such a company before it falls into a state of inability to discharge its matured obligations. The act of 1885 contains a provision intended for that result. But the case of the Home Mutual Aid, which duly made its deposit, and yet leaves its widowed and orphaned creditors of nine death claims to mourn its demise, makes manifest the inadequacy of the statute to accomplish its full intention in that particular. It may, however, happen that the prudence of the companies will supply the lack without legislation. The distinguishing incident of the present stage of the assessment plan is the effort to dis-



cover some device effectual to promote stability and cure the confessed fallacy of the original idea. These schemes are various. Some are ingenious and plausible. Whether any of them can be made to secure the object of life insurance, both reliable and equitable, time and practical experience can alone convincingly determine. Popular opinion seems to insist upon the trial. The law permits it, and only attempts, by provident checks, to mitigate the mischief that failure may inflict.

### The United Life and Accident Insurance Association.

#### A NEW CANDIDATE FOR THE CONFIDENCE OF THE CREDULOUS.

The United Life and Accident Insurance Association, of 44 Broadway, New York city, is the latest addition to the list of foreign hat-passers preying upon the credulous people of California. As the association's statement does not appear in the New York Insurance Report for 1886 we conclude that it is a new venture in co-operative insurance. It is possible that Mr. Maxwell, the New York Insurance Superintendent, has not been notified of the organization of the association. He will probably squelch it; for the club feature of the association is so iniquitous as to put it beyond the most liberal interpretation of the law or the sympathy of other hat-passers.

The club system of the United Life and Accident Association provides for a division of the benefit among the ten members of the club, including the widow or heirs of the deceased. This is not insurance, but gambling, and a robbery of widows and orphans. The strong hand of the law should be applied to the projectors and managers of this rascally enterprise, and every co-operative should join the old-liners in exposing and denouncing the swindle. It is a perversion of insurance and a promoter of assassination. Every member of a "club" is directly and powerfully interested in the death of his fellow member. An evil-wisher, he is but a step from an evil-doer. In the Massachusetts report for 1883, Insurance Commissioner Tarbox thus discusses

#### THE WICKED CLUB SYSTEM.

"Suppose the club to consist of six, with an aggregate insurance of \$18,000. When the first death occurs \$3,000 is distributed, of which the widow or heirs of the deceased member get \$500 only, and the club survivors get an equal sum each. Such widow or heirs have no share in future distributions. The subsequent distributions as deaths occur are on a like basis. The whole division will be as follows:

"To the first decedent's widow or heirs, \$500; to the second, \$500, and his widow or heirs, \$600; to the third, \$1,100, and his widow or heirs, \$1,000; to the fifth, \$2,850, and his widow or heirs, \$1,500; while the last survivor, the winner of the chief prize in the death raffle, gets \$4,350 in his lifetime, and his widow or heirs get a full \$3,000 benefit.

"To call this 'insurance,' is a foul slander of a good name. Gambling is its proper designation; and gambling of the worst sort, with human lives for dice. Fraud and murder are its natural offsprings, and both have been born to it elsewhere."

#### POLICIES NOT COLLECTIBLE.

This New York fraud is represented in San Francisco by Geo. R. Sanderson, with W. M. Lawlor, of Chinese vaccination notoriety, as medical examiner.

The company should be prohibited from doing business in this State. Its policies are wager policies, and therefore repugnant to the law. Under Section 2763 of the Civil Code, the members of the club cannot collect a claim maturing by the death of a fellow-member, for there is no insurable interest.

The Mutual Life Insurance Company's *Weekly Statement* says that the San Francisco agency virtually trebled its business in April, likewise the St. Louis agency. The New Haven, Providence and Yonkers agencies more than doubled their new business, and many others gain over 50 per cent. In only one instance was there a decrease. The combined reports of the agents show a gain in April, 1886, over April, 1885, of 72.2 per cent.

# Fire Premiums and Losses by States, Territories and Sections.

## PREMIUMS, LOSSES AND RATIOS FOR TWO YEARS.

We have compiled the following table of the fire premiums and losses in the forty-seven States and Territories of the Union. Only Indian Territory is omitted, and virtually no business is done in that Indian corral. For the greater interest and instruction of our readers we have separated the States and Territories into six great natural divisions. The Rocky Mountain group leads in lowness of loss ratio, next is the Pacific group, and the third is New England. The highest loss ratio is that of the Southern States.

The Rocky Mountain and the Pacific Coast States and Territories aggregate \$6,701,519 in premiums and \$2,825,306, a loss ratio of 42.16 per cent., which is far lower than that of the Eastern States. These two sections, with the exception of Colorado and parts of the Rocky Mountain Territories, are embraced in the COAST REVIEW report of the Pacific Coast business. Our February figures correspond with remarkable closeness to the foregoing, the slight excess representing the business transacted through Eastern agencies.

The total business of the United States shows an increase of nearly \$4,000,000 in premiums and a decrease of about \$2,000,000 in the losses.

### NEW ENGLAND STATES.

		Premiums.	Losses.	Ratio.
Connecticut...	1885	\$1,822,364	\$1,043,120	57.2
	1884	1,740,060	761,068	43.7
Maine.....	1885	1,004,601	524,494	52.4
	1884	994,231	739,514	74.0
Mass.....	1885	5,582,390	2,477,514	45.0
	1884	5,396,375	3,289,100	60.9
N. Hamp....	1885	468,092	368,360	80.5
	1884	610,754	312,589	52.1
Rhode Islnd.	1885	2,594,162	562,160	21.6
	1884	2,463,748	910,698	36.4
Vermont....	1885	299,842	140,808	46.9
	1884	340,735	197,498	58.1
Totals.....	1885	\$11,770,451	\$5,116,456	43.7
Totals.....	1884	\$11,545,903	\$6,210,467	54.0

### MIDDLE ATLANTIC STATES.

		Premiums.	Losses.	Ratio.
Delaware* ..	1885	\$195,000	\$95,000	49.0
	1884	194,783	93,309	48.1

Maryland....	1885	1,454,926	752,196	51.8
	1884	1,440,851	813,510	56.5
New York...	1885	18,068,456	10,348,844	57.5
	1884	17,570,609	10,028,111	57.3
Pennsylvania	1885	7,316,583	4,000,546	54.8
	1884	6,605,145	4,937,969	74.8
Dist. of Col..	1885	155,000	113,600	73.3
	1884	110,718	24,566	22.1
New Jersey..	1885	2,299,144	1,281,688	58.3
	1884	2,090,374	1,054,750	52.7
Totals.....	1885	\$29,489,109	\$16,591,874	56.4
Totals.....	1884	\$28,012,510	\$16,952,215	60.5

\*Es imated.

### SOUTH ATLANTIC AND GULF STATES.

		Premiums.	Losses.	Ratio.
Virginia....	1885	\$1,081,050	\$750,793	69.5
	1884	973,893	706,253	72.5
West Virginia	1885	170,864	142,174	83.2
	1884	198,366	104,635	52.3
N. Carolina..	1885	463,778	447,542	96.5
	1884	443,939	453,637	102.4
S. Carolina..	1885	579,536	198,457	34.2
	1884	566,108	367,595	64.9
Georgia.....	1885	1,352,878	572,183	42.3
	1884	1,315,493	993,788	71.2
Florida.....	1885	216,780	260,398	118.3
	1884	279,466	463,857	165.6
Alabama....	1885	612,528	250,436	40.7
	1884	450,159	360,244	80.0
Mississippi..	1885	339,370	278,649	81.9
	1884	326,981	223,085	66.3
Louisiana...	1885	1,520,863	685,705	45.1
	1884	842,273	595,372	70.7
Texas.....	1885	2,055,429	2,256,520	109.9
	1884	2,155,947	1,639,426	76.2
Totals.....	1885	\$8,393,076	\$5,842,857	69.6
Totals.....	1884	\$7,552,625	\$5,907,892	78.1

### MISSISSIPPI VALLEY AND LAKE STATES.

		Premiums.	Losses.	Ratio.
Michigan...	1885	\$3,230,480	\$1,983,107	62.0
	1884	3,174,198	2,338,251	73.7
Ohio.....	1885	4,706,733	2,714,455	57.7
	1884	5,495,791	4,072,539	74.0
Kentucky...	1885	1,904,013	1,106,506	58.2
	1884	1,846,945	1,356,335	72.6
Tennessee...	1885	1,026,872	759,666	73.9
	1884	1,041,901	681,242	65.0
Indiana.....	1885	2,427,320	1,604,011	67.0
	1884	2,096,661	1,407,899	70.4
Illinois.....	1885	8,158,539	4,539,380	56.7
	1884	8,010,078	3,646,883	45.6
Wisconsin...	1885	2,838,815	2,130,339	33.9
	1884	2,683,736	2,010,901	74.0
Arkansas....	1885	451,618	278,638	61.9
	1884	412,698	245,456	59.5
Missouri....	1885	3,872,233	2,148,614	55.5
	1884	4,027,053	2,780,400	69.5
Kansas.....	1885	2,003,682	702,927	35.1
	1884	1,719,008	575,537	48.2
Iowa.....	1885	3,005,130	1,180,977	39.3
	1884	2,960,304	1,247,363	41.5

# THIRD ANNUAL STATEMENT

## OF THE

# Oregon Fire and Marine

## Insurance Company, of Oregon.

*For the Year ending Dec. 31, 1885.*



### CAPITAL.

Capital Authorized,	\$300,000 00
Capital Paid up in Cash,	\$220,100 00

### ASSETS.

Loans on First Mortgage.....	\$194,700 00
U. S. 4 per cent. Reg. Bonds.....	59,786 56
O. R. & N. Co.'s Bonds.....	21,635 00
East Portland City Bonds.....	10,000 00
Bills Receivable.....	1,000 00
Cash in Bank.....	11,684 12
Cash in Office.....	27 71
Interest Accrued.....	4,069 30
All other Property.....	1,202 60
Premiums in course of collection and Agents' Balances.....	8,618 14
<b>TOTAL ASSETS.....</b>	<b>\$312,773 43</b>

### LIABILITIES.

Losses in process of Adjustment.....	\$ 1,579 33
Gross Premiums on fire risks running one year or less, \$50,817.20, re-insurance, 50 per cent.....	\$ 25,408 60
Gross Premiums on fire risks running more than one year, \$10,230.55, re-insurance pro rata.....	5,521 90
	30,930 50
Taxes and other charges due and to become due.....	1,070 80
<b>TOTAL LIABILITIES.....</b>	<b>\$ 33,580 63</b>
Cash Capital.....	\$220,100 00
Net Surplus.....	59,092 80
Surplus as regards Policy-holders.....	\$279,192 80
	\$312,773 43

### INCOME.

Fire Premiums less cancellations and return premiums.....	\$ 71,137 99
Interest.....	20,582 21
<b>TOTAL INCOME.....</b>	<b>\$ 91,720 20</b>

### EXPENDITURES.

Fire Losses.....	\$ 17,311 92
Re-insurance.....	13,417 34
Commission and Brokerage.....	6,878 27
Salaries.....	6,020 00
State, National and Local Taxes.....	1,979 36
Traveling expenses, advertising, rent and all other expenses.....	6,932 21
<b>TOTAL EXPENDITURES.....</b>	<b>\$ 52,539 10</b>

**PRINCIPAL OFFICE, 31 STARK ST., PORTLAND, OREGON**

L. WHITE .....	President.
EDWARD HALL.....	Secretary.

**\$50,000 DEPOSITED IN CALIFORNIA.**

**HAGAN, MANHEIM & CO.**

GENERAL AGENTS FOR CALIFORNIA.

**J. W. STAPLES, Manager.**

**O. N. HALL, Special Agent.**

**OFFICE—217 SANSOME ST., SAN FRANCISCO.**





Nebraska....	1885	1,320,950	323,248	24.9
	1884	1,296,146	417,813	32.1
Minnesota ..	1885	2,670,461	1,818,436	68.1
	1884	2,539,091	1,835,552	72.5
Dakota.....	1885	1,155,955	539,025	46.7
	1884	672,419	465,537	70.0
Totals.....	1885	\$38,772,804	\$21,829,329	56.4
Totals.....	1884	\$37,976,029	\$23,081,708	60.9

## ROCKY MOUNTAIN STATES AND TERRITORIES.

		Premiums.	Losses.	Ratio.
Montana ....	1885	\$260,489	\$160,305	61.7
	1884	223,813	46,894	21.0
Wyoming....	1885	72,641	8,777	12.0
	1884	62,959	25,669	40.7
Colorado....	1885	766,794	233,705	30.5
	1884	745,304	314,327	42.0
New Mexico.	1885	132,631	43,245	32.7
	1884	109,754	127,473	117.0
Idaho.....	1885	27,930	14,564	52.0
	1884	28,665	11,718	40.9
Utah.....	1885	112,333	37,650	33.6
	1884	94,088	12,485	13.3
Arizona.....	1885	55,900	67,580	120.6
	1884	55,168	58,456	106.0
Totals.....	1885	\$1,428,718	\$565,826	39.9
Totals.....	1884	\$1,319,751	\$597,022	45.5

## PACIFIC COAST STATES AND TERRITORIES.

		Premiums.	Losses.	Ratio.
Wash. Ter...	1885	\$187,692	\$108,474	58.1
	1884	117,966	95,658	81.7
Oregon .....	1885	441,370	88,231	20.0
	1884	356,751	268,412	75.4
Nevada.....	1885	102,471	29,560	29.0
	1884	78,161	43,253	55.5
California...	1885	4,541,268	2,033,215	44.7
	1884	4,484,768	1,279,480	28.5
Totals.....	1885	\$5,272,801	\$2,239,480	42.9
Totals.....	1884	\$5,037,646	\$1,686,803	36.1
Grand totals.	1885	\$95,126,959	\$52,205,822	54.9
Grand totals.	1884	\$91,464,464	\$54,136,107	59.2
Canada.....	1885	\$5,016,132	\$2,837,850	56.7
	1884	\$4,993,457	\$3,165,762	63.5

Always abreast with the times, the Connecticut Mutual Life Insurance Company has issued a new policy, not excelled in brevity and simplicity. After the payment of three annual premiums any failure to pay a premium secures insurance in a sum determined by the paid-up insurance table endorsed on the policy. At the end of ten years, or each five years thereafter, cash value will be paid for the policy, according to table of cash values endorsed thereon. A map of the world, showing limitations as to travel and residence, accompanies each policy.

## In "Foreign Parts."

At the burning of Stry, Austria, a few weeks ago, peasants from neighboring villages pillaged the town and ran away with cartloads of plunder. In one case a load of stolen furniture was left near a heap of straw. In this furniture smouldering fire lay unnoticed. In the night the fire flared up and ignited the straw, thence spread to the cottages and burned down ten of them. This was retributive justice indeed. Only two buildings escaped in Stry, and the entire population of 15,000 were made homeless. Many of the unfortunate families were Jews, who camped out in the vicinity and refused to be conveyed to comfortable quarters despite the intense cold, because their religion forbids them to set out on a journey during Passover week. Many were almost famished, refusing the bread offered them because it was unleavened.

Mr. Titmarsh says that Mr. Hobhouse says if a fire lasts an hour in Constantinople the Sultan is bound to attend it in person, and that people having petitions to present have often set houses on fire for the purpose of forcing out this royal trump.

The Union Ins. Co. of New Zealand has discontinued its agencies at London, Eng., Auckland and Dunedin, N. Z., and Adelaide, South Australia.

Happily for telegraphers, printers and proof-readers the town of Llanfairpwllgwyngyllgertrobwllgerchwyrnbwllgogerbwllsantysiliogogoch in Wales has had only one fire in many years. A riot nearly broke out in one printing office, and the proof-reader broke his jaw in a fruitless effort to pronounce the word. It means St. Mary's white hazel pool, near the turning pool, near the whirlpool, very near the pool by Llantsillio, fronting the rocky islet of Gogo.

Here is a new element in the fire hazard: The *British Medical Journal* reports the case of a strictly temperate man whose breath caught fire, so foul was his stomach. He attempted to blow out a lighted match, whereupon his breath exploded with a loud

report. His lips were burned severely. We may expect the policy of the future to provide that dyspeptics must abstain from smoking or match-lighting on the premises.

The Canada life business for 1885 gained about a half million in premiums. The total premium income was \$4,618,978, divided between ten Canadian, eighteen British and twelve American companies. The British companies did by far the least business. Of the accident companies, the Travelers transact the largest business in Canada, exceeding that of the principal home company, the Accident Ins. Co. of N. A.

The annual report of the Standard Fire and Marine Ins. Co. of New Zealand for the year ending December 31, 1885, states that the total income, including £5,996 10s. 9d. brought forward from last year, amounts to £85,544 4s. 11d., and the expenditure to £77,416 11s. 11d., leaving a balance of £8,127 13s. From this amount an interim dividend was paid in June last, and payment of a further dividend at the rate of  $7\frac{1}{2}$  per cent per annum is recommended, leaving to be carried forward £2,502 13s.

The Mutual Life Insurance Co. has entered Mexico.

Three United States life companies—the Equitable, the New York Life, and the Germania—issue policies and have deposits and investments in foreign countries. These, or some of them, transact life insurance with the people of each of the nations of Europe, several of the States of South America, Canada, Mexico, the West Indies and Australia. The deposits of the Germania in Germany amount to \$701,891.99; of the New York Life in Great Britain, France, Italy, Switzerland, Canada, Chili, the Argentine Republic and Australia, to \$950,167.62; of the Equitable in England, Germany, Canada, and Chili, to \$1,568,819.84. All these deposits—save those in the Argentine Republic and Chili, which amount to \$558,076.98—are held in irrevocable trust for the benefit and protection of policy holders in the respective countries, and can be withdrawn only after the liabilities

they are pledged for shall be extinguished. The Equitable agrees to keep on deposit in the Vereins Bank of Hamburg for the protection of its policy holders in Holland, Switzerland, Denmark, Belgium, Norway, Sweden and Russia, securities equal in value to the net value or reserve on their policies. The New York Life has an office building in Paris of the cost value of \$1,046,317.39; one in Vienna, cost \$207,470.82; and one in Berlin, cost \$183,174.06. The Equitable's office building in Paris, cost \$825,632.55, and the Germania's in Berlin, cost \$273,377.93. So says Commissioner Tarbox in his annual report.

### Head Office Figures of Foreign Companies.

FROM THE COAST REVIEW FIRE INSURANCE CHART FOR 1886.

In the following table we present the fire assets, premium receipts, losses, and loss ratios of the foreign companies represented in this field. These figures are from the COAST REVIEW Fire Insurance Chart, and were taken from the home office statements filed with the California Insurance Department:

	Fire Assets.	Premiums.	Losses.	Ratio.
Atlas.....	\$1,708,168	\$610,304	\$345,737	57
British America.....	1,117,653	849,314	541,793	64
Caledonian.....	1,793,003	561,297	349,814	62
City of London.....	1,731,338	1,501,326	1,384,136	72
Commercial Union.....	7,096,895	5,076,031	3,426,300	67
Fire Insurance Association.....	1,428,283	1,541,621	1,203,701	78
Guardian.....	8,951,686	2,183,469	1,322,562	61
Hamburg-Bremen.....	1,317,377	522,809	312,159	61
Hamburg-Magdeburg.....	703,193	69,750	50,212	72
Helvetia.....	1,131,865	538,061	287,812	54
Imperial.....				
Lancashire.....	3,576,735	3,006,252	2,076,694	69
Lion Fire.....	1,147,816	883,153	615,267	69
Liverpool & London & Globe.....	14,494,083	6,261,929	3,503,753	56
London Assurance.....	7,755,282	2,577,659	1,887,691	73
London & Lancashire.....	3,124,596	2,450,062	1,408,321	57
London & Provincial.....	795,762	841,008	702,885	84
Manchester Fire.....	1,382,522	1,446,818	975,753	61
National Assurance.....	1,364,544	855,940	618,330	72
New Zealand.....	2,753,946	1,099,575	791,985	72
Northern.....	6,574,369	2,886,844	1,665,573	57
Norwich Union.....	3,883,803	2,987,231	1,724,174	58
North British & Mercantile.....	13,669,255	57,42,554	3,039,293	53
North German Fire.....	976,088	384,697	247,141	64
Phoenix Assurance.....	6,419,154	4,519,595	2,576,507	57
Prussian National.....	1,520,359	495,867	224,812	45
Queen.....	3,348,060	2,885,750	1,818,750	63
Royal.....	14,289,955	4,827,000	2,766,000	57



Scottish Union.....	2,690,016	1,041,161	626,394	60
South British & Na-				
tional.....	3,120,760	2,454,244	1,845,603	75
Sven.....	1,547,759	1,054,308	560,625	53
Transatlantic.....	1,192,662	518,364	342,029	66
Union N. Z.....	937,065	552,439	353,760	64
United Fire Reinsur-				
ance.....	1,347,651	1,134,980	812,395	72
Western Assurance...	1,185,594	1,340,778	880,828	66

### Law Notes.

The Louisville Superior Court has held that in estimating the surplus of an insurance company for the purpose of taxation under the equalization law, it is proper to deduct from the assets of the company as a part of its indebtedness such a sum as experience has shown will probably be necessary to pay persons whose policies may be canceled, and to pay the losses which will occur during the time for which the policies have to run; but having made such a deduction, it is not proper in listing under the equalization law the next year to deduct losses which have been sustained and are unpaid, deduction having been made for them in advance.

The Indiana Supreme Court recently held that in an action on a life insurance policy, where the policy is copied into the transcript immediately following the complaint and conforms to the one described therein, and it is appropriately averred that a copy of the policy is filed therewith and made part of the complaint, it is a sufficient identification of the instrument sued on.

According to the Massachusetts Supreme Court, a contract with an insurance broker to procure insurance for a certain amount upon property is completed when the insurance is obtained to the satisfaction of the insured, and the agent has no right thereafter to surrender the policy or make further insurance in the behalf of the insured without his consent. The only way in which a company can cancel a policy without the consent of the insured, is upon ten days' notice thereof to him. The authority of an agent to make a contract of insurance and deliver a policy on property is revoked by a loss of the property to be insured before such contract and delivery,

and the acceptance thereafter of the policy will not bind the company. Property owned by a man and his two daughters was mortgaged to the Connecticut Mutual Life Ins. Co. A fire policy was taken out in the name of the father, payable to the mortgagee according to stipulation. It was agreed that the proceeds of the policy should be deposited in a bank, and subsequently used in the replacement of buildings on the mortgaged premises. The property was burned, but no replacement was made. It was held, in *Scammon v. Connecticut Mutual Life Ins. Co.*, in the U. S. S. C., April 12, 1886, that the insurance, though in the name of the father, covered the interests of the daughters, and the company had no right without their consent to apply the proceeds in any other way than that of reducing the mortgage; if it did otherwise, was bound to see that the replacement was made. The insurance was on the building as a whole, and not on any particular interest in it, and was accepted and treated by the mortgagee as an insurance complying with the terms of the mortgage, and covering all the interests which the mortgage covered.

"Stock" includes swine, according to the decision of the Supreme Court of Iowa in the case of *State v. Clark*.

The Supreme Court of Pennsylvania has decided that the payment of assessments is not optional with the members of assessment or co-operative associations. Payment can be enforced in law. The report of this decision will be found in our law department this month.

A bond was given to the Exchange Bank of Canada for the faithful performance by one Craig of his "duties as an employé of the bank." The bond was given on the occasion of the appointment of Craig as cashier, but the particular nature of the employment was not mentioned in the bond. Subsequently Craig was made successively manager, director, president, and finally became a defaulter. The defalcation occurred after Craig's promotion. It ap-

peared that as president he had absolute control of the cash and books. The bank sued the surety on the bond; he defended on the ground that the risk had been augmented. The Superior Court of the Province of Quebec, sitting at Montreal, held, *Exchange Bank of Canada v. Gault*, that the risk had been augmented, and the bond invalidated.

### Co-Operative Insurance in Michigan.

The following table is made up from the Michigan Insurance Report. The figures are from the sworn statements of the Michigan co-operatives. The average amount per claim is in almost every case a trifle larger than the actual average, the fraction being generously given to the co-operative. Run your discerning, penetrating, eagle eye up and down or down and up the average column, and you will declare that we can afford to be generous. The largest average payment per claim is \$800; the smallest is \$71. It is fair to assume that every certificate was for \$2,000, as that is the usual amount insured for. This is cheap insurance indeed, but it is doubtless every whit as good as the California co-operatives are giving their members. Why not? Are the California co-operatives any more honest or more capable than their Michigan brethren? This record ought to be sufficient to deter any prudent, common sensible man from purchasing co-operative insurance at any price. If the people of Michigan, protected by the supervision of the State Insurance Department, can get only a fraction of a claim against a co-operative, that is excellent reason for declaring that the people of California can at most do no better. But here is the official table. Read it and pass it to your neighbor whose soft spot may be co-operative insurance:

	Deaths.	Losses Paid.	Average Amt. per Claim.
Central Michigan Life Association, Marshalls .....	7	\$1,957	\$280
Michigan Equitable Life Association, Sturgis .....	1	310	310
Commercial Mutual Association, Detroit .....	31	9,220	298
Peninsular State Mutual Benefit Association, Ithaca ....	24	6,426	268

Detroit Mutual Benefit Association, Detroit .....	13	\$2,895	\$223
Reserve Mutual Life Association, Grand Rapids .....	10	6,534	654
Northwestern Mutual Benefit Association, Detroit .....	12	9,600	800
Peninsular Masonic Aid Association, Caro .....	5	3,080	514
Graded Michigan Aid Association, Kalamazoo .....	1	71	71
Michigan Masonic Aid Association, Lansing .....	1	106	106
Mutual Life, Mason .....	5	597	120
People's Co-operative & Mutual Benefit Society, Battle Creek .....	5	1,250	250
Southern Michigan Mutual Association, Union City ...	4	310	78

### Fifteen Years' Growth of Twenty-eight American Life Companies.

The twenty-eight American life companies reporting to the Massachusetts Insurance Department have \$509,559,728 assets, 782,605 policies in force, insuring \$1,975,878,524. In 1870 the assets of twenty-six companies was \$203,332,188. The two companies since admitted, and included in subsequent totals, are small, with combined assets of only \$600,000 or less. So they do not "cut any figure" in the matter and may be ignored. In fifteen years the assets of the companies have gained 150 per cent., and the surplus and reserve have advanced accordingly. The policies in 1870 numbered 490,388; now they number 782,605. The growth has been notably regular. The assets advanced yearly, but the amount of insurance reached a turning point in the hard times of 1875, and it was not until the reviving prosperity of the '80's that (in 1882) the insurance in force regained the proportions of 1875. The progress since then has been rapid. The table which we print below was compiled by the Massachusetts Department. It is specially useful in demonstrating two things: first, the strong hold which legitimate life insurance has upon the American public; second that the sound, conservative companies were not affected by the failures of the unworthy. for the temporary decline from '75 to '80 was so small that it may properly be ascribed wholly to the commercial depression of that period.

YEAR.	Assets.	Surplus.	Policies.	Insurance.	Reserve.	Cos.
1870.....	\$203,332,188	\$23,540,905	490,388	\$1,374,453,145	\$169,988,124	26
1871.....	217,856,511	23,906,685	505,626	1,373,447,280	195,423,549	26
1872.....	256,066,599	22,195,790	529,702	1,447,973,783	225,293,375	26
1873.....	284,709,612	23,414,088	556,650	1,502,258,597	252,273,256	26
1874.....	313,355,893	29,395,034	572,556	1,517,140,131	277,245,796	27
1875.....	339,058,647	33,283,482	582,041	1,520,735,773	298,804,945	28
1876.....	357,630,239	35,700,764	585,168	1,499,890,015	314,393,981	28
1877.....	368,733,866	37,727,658	568,377	1,434,600,049	323,373,977	28
1878.....	377,735,184	40,455,239	553,752	1,377,446,881	328,131,001	28
1879.....	385,593,860	42,078,022	555,919	1,374,946,179	335,496,446	28
1880.....	402,926,162	47,284,456	572,669	1,418,266,505	347,892,539	28
1881.....	418,491,142	48,574,206	598,862	1,495,632,802	362,287,451	28
1882.....	437,686,095	50,334,229	632,669	1,593,273,900	379,902,661	28
1883.....	457,976,469	51,838,494	675,890	1,719,171,452	399,502,550	28
1884.....	477,484,730	52,453,673	701,963	1,825,153,477	418,285,178	28
1885.....	509,559,728	.....	782,605	1,975,878,524	.....	28

### W. J. Callingham's Agency.

The agency of W. J. Callingham of this city, represents three popular fire companies—the South British and the National, of New Zealand, and the City of London, of London. The former two write a joint-policy in this country, and are to be treated in discussing their business and resources as practically one company. In premium receipts in this field Messrs. Callingham & Co.'s agency takes high rank among the foremost agencies. Only a few exceeded it in Coast premiums, and but two of these were foreign agencies. Among the agencies representing only two companies Mr. Callingham ranks first in premium receipts. The Coast premiums of the agency during 1885 were \$215,077. The losses were \$104,066, a moderate loss ratio of 48.4 per cent. The two companies and their San Francisco agents are deservedly popular.

#### THE SOUTH BRITISH AND NATIONAL.

The assets of these New Zealand fire and marine companies are now \$3,120,760, a gain of \$520,517 during 1885. The net surplus over all liabilities is \$713,346, a gain of \$115,696. As the paid-up capital is \$1,136,467, the surplus as regards policyholders is \$1,849,813. The premium income last year was \$2,454,244. The total income was \$2,588,223.08, and the total outgo \$2,565,141.67, leaving the net result of the year's transactions \$23,081.41, after paying dividends to the amount of \$99,398. The management expenses were only 25 per cent of the premiums. In compliance with the Oregon law, the South British

& National have \$100,000 in United States bonds deposited with the Treasurer of the Webfoot State.

#### THE CITY OF LONDON.

Of the \$1,731,338 assets of this enterprising young English fire office, \$691,517 are invested in the United States for the security of American policyholders. The assets of the City of London advanced \$99,058 during 1885. The cash capital is \$1,000,000, and the surplus to policyholders is \$847,661. The premium income last year was \$1,501,326. The United States business of the company, outside of the Pacific Coast, was unprofitable. Otherwise the year was a fairly profitable one. The usual dividends were paid.

In this field both the City of London and the South British & National have built up an excellent reputation for fair dealing and the prompt settlement of all claims. We might say more for both companies, but it is unnecessary. There is the first-class record, which every claimant will gladly attest; and the substantial figures given above testify to the growth and prosperity of the companies, and the superior indemnity they offer.

The New Hampshire commissioner says that "crow bills, hawk bills, woodchuck bills, gerrymandering bills, and the like have always taken the preference over anything proposed to save the taxable property of the State or circumvent and punish fraud." Of course. Does Mr. Pillsbury think the New Hampshire legislators go to Concord for their health?



## Expensive Assessment Insurance.

## SMALL PERCENTAGE OF CLAIMS PAID TO RECEIPTS.

We present herewith a table of the income and expenditures of twenty-nine assessment companies reporting to the New York Insurance Department. The ratios of claims paid to receipts, and expenses to receipts are added. These official figures prove beyond contradiction the speculative, money-making character of assessment associations generally. The proportion of claims paid to receipts is invariably small. The larger proportion of the receipts enriches the managers. Let us take a few examples. The Women's Mutual paid \$6,753 to claimants, and for this benevolent work of collection and distribution an additional sum of \$11,206 was drawn from the members for "expenses." In other words, it cost two dollars to collect one. The Life Union collected \$7,213 from members, paid \$120 to some poor beneficiaries, and paid \$6,536 for expenses. The St. Lawrence Life collected \$15,767 in assessments, paid \$4,552 to ben-

eficiaries, and to pay \$13,866 expenses drew the small balance left from the receipts of the previous year. These examples will suffice to draw the reader's attention to the table itself, where worse instances of high expenses will be found. We wonder if any co-operative advocate, in the face of these unquestionable figures, will have the hardihood or the folly to contend that assessment insurance is cheap and furnished at actual cost. Insurance which does not insure is not cheap at any price, and of the companies named there is scarcely one that pays the face of its certificate. Poor as such insurance is, it is not furnished at its true cost; for it is not possible that the necessary and honest expenses of these associations exceed the beneficiary payments, two to one. It is not possible that the legitimate cost of collecting one dollar through the agency of any business or benevolent association is two dollars. The conclusion is not to be resisted, after reading this table, that assessment insurance is highly profitable to the managers.

ASSOCIATIONS.	INCOME.		EXPENDITURES.		RATIO OF	
	Total Receipts.	Paid for Claims.	Paid for Expenses.	Claims Paid to Receipts.	Expenses to Receipts.	
American Knights of Protection, Brooklyn, N. Y. ....	\$1,459	\$9	\$1,100	.63	75.37	
American Protection, Brooklyn, N. Y. ....	3,073	1,107	1,838	36.25	60.13	
Bankers' & Merchants' Alliance, New York. ....	17,684	8,203	6,696	46.39	37.87	
Buffalo Mutual Accident, Buffalo, N. Y. ....	2,622	1,074	1,481	40.96	56.49	
Buffalo Mutual Life & Reserve, Buffalo, N. Y. ....	31,894	12,495	17,888	39.18	56.09	
Builders' & Manufacturers' Mutual Benefit, New York	2,639	1,241	1,446	47.01	54.80	
Central New York Accident & Relief, Ithaca, N. Y. ....	5,822	2,637	2,769	45.29	47.57	
Chautauqua Mutual Life, Mayville, N. Y. ....	2,336	.....	2,702	.....	115.66	
Chenango Mutual Relief, Oxford, N. Y. ....	4,945	1,661	2,480	33.59	50.16	
Equitable Accident, Binghamton, N. Y. ....	72,161	26,513	43,347	36.74	60.07	
Family Fund, New York. ....	100,150	28,000	63,710	27.96	63.62	
Fidelity Mutual Life, Philadelphia. ....	140,778	70,059	57,867	49.77	41.11	
Friends of Humanity. ....	12,765	4,810	4,298	37.68	33.67	
Golden Eagle, Brooklyn, N. Y. ....	3,877	1,093	1,699	28.20	43.83	
Hartford Life & Annuity, Hartford, Conn. ....	713,022	487,665	203,907	68.39	28.60	
Home Benefit, New York. ....	36,469	22,128	15,268	59.07	40.81	
Home Provident Safety Fund, New York. ....	27,086	15,977	9,972	58.91	36.82	
Life Union, New York. ....	7,213	120	6,736	1.66	90.61	
Mercantile Mutual, Boston. ....	10,432	4,168	6,292	39.95	60.31	
Mutual Benefit, New York. ....	186,255	60,012	83,736	32.22	44.96	
Mutual Reserve Fund Life, New York. ....	1,80,879	838,879	416,704	53.06	23.36	
Mutual Trust Fund Life, New York. ....	117,668	54,158	43,234	46.03	36.74	
National Benefit, Indianapolis, Ind. ....	29,376	9,674	19,460	32.93	66.25	
New England Mutual Accident, Boston. ....	41,363	15,086	20,643	36.47	49.91	
New York National Mutual Aid, Rochester, N. Y. ....	59,272	44,911	19,284	75.94	32.53	
St. Lawrence Life, New York. ....	15,767	4,552	13,866	28.87	87.94	
Union Mutual, Battle Creek, Mich. ....	53,594	33,320	18,934	62.17	35.33	
United States Mutual Accident, New York. ....	393,078	158,130	216,899	40.23	55.18	
Women's Mutual, New York. ....	22,411	6,753	11,206	30.13	50.00	

### Clipped and Credited.

Fire and life insurance has attained a public consideration and prominence, an intelligence in its conduct and management, and a volume of business, during the past twenty years, through the aid and influence of insurance journals, that it could not have attained in a century without them.—*Cincinnati Price Current.*

### STICK TO THE TRUTH.

Life insurance is not helped by exaggeration or concealment. The often absurd pretensions and false inducements made in its behalf excite distrust and repel confidence. The whole truth as to the conduct of the system in this country should be told without reserve or gloss. The institution can bear it. It was built up at great cost—perhaps greater than should be—and with defects in construction; but it is worth even that with allowances for all defects. Its faults and imperfect conditions are better known than hidden, that by their reformation it may enlarge its usefulness.—*Tarbox.*

### IGNORANCE OF FIRE INSURANCE.

Many average people, says the New Hampshire Insurance Commissioner, assume to understand and dictate in matters they know but very little about. Most people, for instance, would scout the idea of an ice-house being a hazardous risk; yet experience has taught the old companies that next to powder-houses there is no class of property more to be avoided, hence high rates must be charged. Experience proves that rates heretofore charged on farm buildings, especially in declining localities, are insufficient. The different character, location, and surrounding circumstances attaching to this class of property render a just rating very difficult. Other classes of property change with times and changing conditions. Fire insurance and how to conduct it safely and equitably affords a broad field for study, and men who devote their lives to the subject never cease learning. When a man, therefore, boasts of having solved the problem in a few months, he

only proves that he knows nothing worth the knowing. He has not even penetrated the rind of the subject. If rates are too high, the fact will be demonstrated, and they will eventually find their proper level.

### STEAM BOILER INSURANCE.

The public usefulness of this class of insurance, as carried on by a thoroughly equipped and capable company, is inestimable, and I acknowledge it with great satisfaction. It indemnifies losses. But its principal and far more useful function is to prevent the accident which causes property loss and puts invaluable life in peril. Indeed, in a sense, it insures not only against the loss or damage by accident, but also against the accident itself. It protects property and saves human life from suffering and death by the means it employs to detect and avoid dangers. The merit of such a company and its title to public favor depends not alone upon its assured financial ability to pay losses, but more especially upon the intelligence, faithfulness and efficiency of its system of inspection and prevention.—*Mass. Ins. Report.*

### THE VALUED POLICY LAW.

“From time immemorial the contract of insurance has been regarded as one of indemnity, the insurer contracting to pay the actual loss sustained by the insured, not exceeding the sum specified in the policy. The valued policy law proposes to change the character of the contract, and in cases of total loss, to compel the companies to pay, not the damage sustained by the insured, but the maximum sum for which he paid premiums. So, in case property worth one thousand dollars is insured for two thousand, the insured would be entitled to receive double the actual damage sustained, in the event of a total loss; but in event of a partial loss, only the amount of said loss. \* \* \* The contract is, therefore, changed from one of pure indemnity to a contract of a mixed nature, affording indemnity only in case of partial loss, and exacting the maximum sum named in the policy in case of total loss, and making it to the interest of the insured, if he burn at

all, to burn thoroughly. — *Commissioner Foster.*

#### THE REMEDY.

In this case the alleged wrong is that insurers sometimes pay premiums upon an amount of insurance greater than the value of their property, and fail to receive, after it has been destroyed, more than its actual value, as ascertained by disinterested appraisers. To remedy this supposed evil it is proposed to introduce a new element into the contract of insurance, namely, the speculative or gambling element, and to make it possible for the insured to recover for the loss of property which never had any existence. This remedy is worse than the disease. The true remedy for this evil, if evil it be, is in the hands of insurers, and can be readily applied by them. Let them insure no more than the least probable value of their property. As a general rule, and with all due allowance for the natural exaggeration of proprietorship, they have a pretty accurate knowledge of the value of their possessions, and if they pay for more insurance than such value warrants at the time the policy is written, they have full consideration in the possible increase in value before the occurrence of the damage, or in the possible valuation of such damages in excess of their own appraisalment. The contract of indemnity is a fair and open contract, as favorable to the insured as to the companies. It has stood the test of time and experience, is well understood by both parties, is voluntary and unrestrained, and the injustice flowing from it is light in comparison with the many weighty reasons of public policy that proclaim against the enactment of the proposed remedy. — *Pennsylvania Insurance Report.*

#### MORAL HAZARD OF COTTON INSURANCE.

There is one feature about cotton insurance which we have not been disposed to regard in times past, and that is the question or moral hazard. It has been the popular impression that it should not enter into the computation of the risk; but recent events have doubtless convinced many of

you that the taint of moral hazard at times even defiles the purity of the fleecy staple itself. The ready manner in which the value of cotton could be obtained on the market, with less delay, than from the insurance companies, has seemed to preclude the possibility of an intentional sale to us. Consider, however, the opportunities afforded by the following condition of affairs: The factor his own warehouseman, maker of his own receipts, and custodian of his own samples, then let him get on the wrong side of the market, borrow from banks all he can get on receipts of his own make, ship the same cotton and draw against it, and can anything but the alleged burning of this cotton save him? This, as some of you know, is not a fancy sketch, but one of the possibilities of a pernicious plan of insurance. Without intending reflection on the worthy men in the cotton business, some measure of protection to the companies should be devised, and the temptation to sell to us removed. — *Clarence Knowles.*

#### FIRE INSURANCE IN MONTANA.

The experience we have had in the matter of insurance owing to the recent fires here, ought to teach us something, and if it does not we will have no one to blame except ourselves, if we are bitten in the future. People are apt to forget there are grades in insurance the same as in clothing, groceries or other goods, and that we cannot reasonably expect to get a first-class article at a fourth-class price. Our Territorial Legislature has thrown around us the protecting arm of the law, by requiring all insurance companies doing business in the Territory to make a statement of their condition, and prohibiting worthless companies from doing any business here, and if we would see to it that we are insured only in companies who have a legal standing here, we would be absolutely safe, but unfortunately the law does not prevent us from accepting the bait of low rates offered by snide companies who send men here to do business by stealth, and if we have been hooked it is a pity and a misfortune, for which we have not our laws to blame at least. Our Territory has probably the best



insurance laws in the United States, and we ought to be proud of them and try to sustain them by giving all outside insurance solicitors the cold shoulder.—*Glendive Independent*.

### The Pennsylvania Fire Insurance Report.

The Pennsylvania companies during 1885 received \$9,458,776 from fire premiums and \$1,918,680 from marine premiums, or a total of \$11,377,456. They paid for fire losses \$5,573,931, and for marine losses \$1,637,662, or a total of \$7,211,593. The excess of premium income over expenses was only \$82,121. The ratio of profit to premium income was less than 1 per cent. The total income over expenditures after paying dividends, was only \$305,197. Commissioner Forster says that the dividends were earned and paid, not from the profits of the business, but from investments of capital stock and accumulations of former and more prosperous years. The companies earned only  $\frac{6.6}{100}$  of 1 per cent. of the capital stock from their business as insurers.

#### PERPETUAL BUSINESS.

Nineteen companies transact a "perpetual" business. The perpetual risks written were \$15,414,615, and the deposits \$374,453. The perpetual risks in force aggregate \$276,395,928, and the deposits \$671,448. The compensation or premium is derived from the interest on these deposits. If they yielded 5 per cent., the companies acquired the sum of \$338,072 interest in the nature of premiums. This sum does not appear in the premium receipts, but in the investments. The real loss ratio is therefore less than 63.39 per cent. The deposits on the amount at risk are only 2.44 per cent., and the rate per annum, at 5 per cent. interest, is only .122 of 1 per cent. of the amount insured, or about half of the premiums and assessments of the mutual companies.

#### TAXATION OF FIRE PREMIUMS.

Prior to the act of March 20, 1877, Pennsylvania insurance companies were taxed only upon their capital stock. This act taxed the gross receipts of transportation, telegraph and express companies at the rate

of 8 mills, and also imposed a similar tax upon the gross premiums of insurance companies. The Commissioner says:

There was no reason for discriminating against insurance companies, and associating them with transportation companies as the proper subjects of this additional tax, other than the fact that the latter companies were potential in legislation, and declined to submit to this tax unless insurance companies were included. The latter resisted the payment of the tax, until it was finally compromised by the passage of the act of June 10, 1881, which modified it so as to apply only to premiums received within the State of Pennsylvania in consideration of the payment by the companies of all taxes accruing to January 1, 1881. Since that time, therefore, insurance companies of this State have paid an annual tax of eight mills upon the gross premiums received by them from domestic business in addition to the annual tax upon their capital stock.

As transportation and telegraph companies have received special favors and privileges from the state, there may be good reasons why they should pay special taxes; but there is no good reason why insurance companies should be placed in the same category, or why they should be subjected to an additional tax from which the great body of corporations is exempt, or why they should be singled out as able to bear burdens which are not imposed upon water, gas, coal, manufacturing, and other favored, but certainly not less profitable, corporations.

Taxes should be imposed either upon profits or upon possessions. The gross premiums of insurance companies are neither. The element of profit may be small or it may be nothing. In 1884, the losses and expenses of the companies of this state exceeded their gross premium income, and the tax was based upon nothing that ever belonged to them. In 1885 they made a small profit, but the tax of eight mills upon the gross premiums represents a tax of not less than ten per cent. upon this net profit. This is a much heavier rate of taxation than the tax of eight mills upon the gross

receipts of transportation and telegraph companies, because there is a larger and more certain element of profit always entering into the gross receipts of the latter.

But this additional tax of eight mills levied upon the gross premiums of domestic business, onerous and false in principle as it is, would not cause much complaint were it not for the retaliatory taxes levied upon Pennsylvania companies in other states in consequence of the tax of three per cent. imposed by the law of this state upon their companies. For the year 1885 the sum of \$75,780.23, was collected from fire and marine companies of other states for tax on premiums. For the same year, the premium income of the companies of this state in other states was \$8,629,434, which was subjected to a tax of \$258,883.02, one-third of which sum, or \$86,294.34, was a retaliatory tax because of the tax which produced \$75,780.23 to the State of Pennsylvania. The reduction of the tax upon the premiums of companies of other states from three to two per cent. would reduce the revenue by about \$25,000 per annum, and save to the companies of this state about \$80,000 per annum. In other words, the Commonwealth obtains a revenue of \$25,000 a year at a cost to the companies of this State of some \$80,000.

The entire premium receipts of Pennsylvania stock fire and marine companies in 1885 were \$11,317,458, of which sum seventy-six per cent. was derived from business in other States, and twenty-four per cent. from business in this state. The positive tax upon premiums in other States does not average more than two per cent., but they all compel Pennsylvania companies to pay at the same rate that Pennsylvania taxes the premiums of their companies; hence, the direct and vital interest the companies of this State have in the tax imposed upon other State companies. It is not a tax that spends its force upon its immediate object, but rebounds with crushing force upon our own companies; and, in the consideration of the question, the Legislature cannot disassociate home and foreign companies.

John J. W. O'Donoghue, founder of the *Chronicle*, died in Chicago last month.

## The Mutual Endowment and Protective Association of Santa Rosa.

In nowise deterred by the disastrous failure of its big prototype, the Mutual Self-Endowment and Benevolent Association of Longview and Ft. Worth, Texas, a similar association has been organized in Santa Rosa, Cal. It is styled "The Mutual Endowment and Protective Association." The age limits are 16 and 70 years. The system is a close copy of the Texas humbug. Five endowment coupons attach to pay certificates, payable at the expiration of from two and a-half to eight years, according to the life expectancy of the members. Each coupon represents a fifth of the face of the certificate. In the case of death, the beneficiary receives only the amount of a coupon. It is, therefore, not life insurance, but a pool of the contributions of all, and the older members, those whose coupons first mature, take the "pot."

We have repeatedly shown, by incontestable figures, that these mutual endowment associations cannot possibly execute their contracts. Our predictions as to the fate and duration of the Texas concern and its San Francisco branch were verified to the letter. These associations, if managed honestly, can exist until after the first coupons mature, say four, five or six years. Their failure is then inevitable. Their promises are extravagant and ridiculous. The Texas endowment swindle lived five years. Its failure was quickly followed by the Pacific branch. The Occidental, which grew out of the Pacific branch, was sending out circulars to members explaining its inability to pay, some time ago, and we hear that it, too, has failed.

If a member, aged from 44 to 50, takes out a policy or certificate in the Mutual Endowment and Protective Association of Santa Rosa for \$5,000, say, it will cost him

Membership fee.....	\$10 00
Annual dues, 4 years.....	20 00
Assessments (as advertised), 12 per year, 48 for four years, \$4.75 each	228 00
Total cost .....	\$258 00

The association promises him at the end of four years one-fifth of the \$5,000 certificate, or \$1,000. This would be a clear

profit of \$742, or more than 348 per cent. on his investment! We are not misrepresenting or exaggerating the offer of the Association in the least. A circular before us declares that "assessments will not exceed twelve in a year," and the assessment on a \$5,000 certificate at age 44 to 50 is \$4 75. But the association does receive all of \$258 to be returned to members, for the \$30 fee and dues are absorbed by expenses. The disproportion between assessments and promises is therefore still more absurd.

Let us take another case illustrating the arrant folly of the pretensions of the Santa Rosa humbug. A man aged 44 takes a \$2,000 certificate, upon which he pays, in advance, the required fee, dues and assessments, some \$38 altogether. We will assume that none of this sum is used for expenses, but that it is all invested at compound interest for the benefit of the member. To pay the \$500 coupon due at the expiration of the first four years, the annual interest would have to be 41.4 per cent! At compound interest, at this per cent., the \$38 would be \$81.67 at the end of the first year, \$143.36 at the end of the second year, \$230.50 at the end of the third year, and \$499.43 at the end of the fourth year, when the \$500 coupon matures. The ability of the association to earn 41¼ per cent. interest on its investment is not to be seriously discussed.

The income of the association is derived entirely from the members. Collectively they must pay in precisely what they take out, and the expenses besides. As individuals they can not possibly recover what they pay in. It may be contended that the constant accession of new members will enable the association to discharge its obligations; but it must not be forgotten that the new members bring new liabilities; and then the possible limit of growth must be speedily reached. It will be argued that a large income without any corresponding liability will be derived from the members who lapse. It would take a great many lapses annually to enable the association to pay four dollars for one, which it promises to pay. But why should members enter and then withdraw? If they have con-

fidence to pay from \$6 to \$10 to get into the charmed circle, why should they not remain and pay the assessments of from 40 cents to \$4.75? The Universal Benevolent Association of San Francisco and the Texas Mutual Self-Endowment Association, and its Pacific Coast branch, all depended on lapses to enable them to execute their ridiculous promises; but the duped members were so faithful that the three associations became bankrupt. Clearly it will not do to depend on numerous lapses of members to sustain the Santa Rosa association.

It is strange that persons, excepting the old—whose coupons first mature, and who first receive loans—can be found so credulous as to join such a transparent fraud as the Santa Rosa Mutual Endowment and Protective Association; but it is far stranger that reputable business men endorse it. The President is an official in the Santa Rosa savings bank, and the other officers and directors are more or less prominent in the town. What do these men know of the science of life and endowment insurance? Absolutely nothing. Yet they endorse, by becoming its officers and directors, an experiment that has never yet been successful, and that has in several instances most ignominiously failed. Evidently these men do not care for their reputations, for they certainly are not fools. They are bartering their good names for the petty emoluments of office. They must know, as business men of ordinary experience, that no association can pay out from three to four dollars for one dollar. Yet the association of which they are officers promises to do this. It does not promise such gain to a few, as the common lottery does, but to all. It is a swindle, and the officers and references of the association are endorsing and abetting a swindle.

The *Overland Monthly* begins with the June number the publication of a story of Mexican life, drawn from life. Among the other contents of the current issue are an article on Berkeley; "The First Steamboat on the Upper Columbia;" and an interesting review of "Sympneumata," Oliphant's work on the evolutionary forces in man.



### Dispensing with Life Solicitors.

We fear that the unstinted praise of the insurance press has turned the head of Commissioner Tarbox of Massachusetts, and led him to hold reflection in indifference, and first impressions the best. He is no longer a thoughtful student, and will soon become, if he is not already, a dogmatic egotist. In his life report he advances callow opinions with the gravity of years of experience, and lectures the great companies for extending their business to foreign countries. He thinks that a surplus is unnecessary, and that a great surplus is a constant danger. There should be no occasion for a surplus to protect investments, he says, nor to protect the companies from the valuations of unfriendly or incompetent Insurance Departments, he might have added, for a surplus is as essential in one case as the other.

But Mr. Tarbox reaches a climax when he commends the English plan of waiting for new business instead of canvassing for it. The English companies, he says, supply the natural demand for insurance and do not maintain expensive machinery to manufacture a demand for it or to force it upon the public. They simply open the doors to the public and offer insurance to any eligible customer, thus dispensing with agents and solicitors. Imagine an American life company, without agents and solicitors, waiting for business to come unsolicited. Is it not an absurd picture?

Mr. Tarbox strikes a blow at the very foundation of American life insurance; for it is the army of agents and solicitors that have raised life insurance to its marvelous proportions in this country. They have earned their commissions by educating people in the value of life insurance. They have kept the subject, ably aided by the insurance press and insurance literature, constantly before the public. The argument of expense is not a good one. In creating a demand, they have lessened the cost of insurance, by increasing the number of purchasers, as surely as the merchant lowers the cost of his wares by distributing the expenses among a larger number of buyers. But if it were not so, the argument lacks force,

because it is a self-evident proposition that Americans, especially those who need it most, will not buy life insurance unless importuned to do so. This is the experience of every life office in the country; and if the experience of the English offices differs, they must deal with a limited number of people who are educated up to life insurance, and find in it a more profitable investment of their income than elsewhere.

### The State Insurance Co. of Oregon.

IT REPORTS ONLY \$10,000 TAXABLE PROPERTY.

The State Insurance Co. is the title of a local company at Salem, Marion county, Oregon. The readers of the *COAST REVIEW* are familiar with its bad reputation, and every underwriter recognizes its wildcat character. It extorts recommendations from claimants, compromises claims and misrepresents its resources. It claims \$100,000 capital, of which \$50,000 is "stock bonds," worth at least as much as the paper they are printed on. It advertises \$184,737.89 assets, and \$100,000 capital, and a surplus of \$127,988.90 as regards policy-holders. But the taxable property of the company, according to the certificate of the Marion County Clerk, is only \$10,000. The total assets reported are only \$72,000, and the indebtedness \$62,000. Round numbers are reported to the assessor, but, in the published statement, the fractions impress the reader with the honesty and accuracy of the company. The taxable property reported to the city authorities of Salem, the shire-town of Marion county, is only \$8,000, including \$6,000 in money, notes and accounts. The money, notes and accounts reported to the county authorities is \$71,000.

The certificates of the Salem and Marion officials are as follows:

Office of CHAS. W. BOWIE,  
Recorder of City of Salem. }

SALEM, OREGON, May 7, 1886.

State Insurance Company, for Lot 4,

Block 50 ..... \$2,000

Money, notes and accounts ..... 6,000

Total ..... \$8,000

I, Chas. W. Bowie, Recorder of the City of Salem,  
County of Marion, State of Oregon, hereby certify

that the foregoing is a true copy of the city assessment of the State Insurance Company for the year 1886.

CHAS. W. BOWIE, City Recorder.

STATE OF OREGON,  
County of Marion, } ss.

I, M. N. Chapman, County Clerk of Marion County, Oregon, do certify that the following is the assessment of the State Insurance Company in said county, for the year 1885; to-wit:

Money, notes, accounts, &c.....	\$71,000
Household furniture .....	1,000
Gross value .....	\$72,000
Indebtedness.....	62,000
TAXABLE PROPERTY.....	\$10,000
at 16.7 mills tax .....	\$167

As the same appears from the assessment rolls of said county in my office. Witness my hand and seal this 8th day of May, 1886.

{ County } M. N. CHAPMAN,  
{ Seal. } Clerk.

It is an abuse of a good word to call that indemnity which the State Insurance Co. offers its dupes.

### California Life Underwriters' Association.

A meeting of the new San Francisco association of life underwriters was held on the 7th inst. The association was formally named "The California Life Underwriters' Association." A constitution and a number of by-laws were adopted, and officers for the ensuing year were elected, as follows:

President, George A. Moore, President of the Pacific Mutual Life Insurance Co.; Vice-President, W. D. Garland, manager of the Equitable Life Assurance Society; Secretary, John Landers, general agent of the Manhattan Life Insurance Co.; Treasurer, James Munsell, Jr., general agent of the Mutual Benefit Life Insurance Company. The Executive Committee is as follows: George A. Moore, of the Pacific Mutual Life Insurance Co.; A. G. Hawes, manager of the New York Life Insurance Co.; Julius Jacobs, general agent of the Germania Life Insurance Co.; H. K. Field, general agent of the New England Mutual Life Insurance Co.; and J. H. Stevens, general agent of the Aetna Life Insurance Co.

The attendance was large, and a spirit of enthusiasm was well defined. The representatives of thirteen of the fifteen life com-

panies doing business here have signed the roll of membership. We predict great good as the result of this organization. The best work in dealing with the positive evils of the business must be done through an association of this character.

### Loss by "a Sea."

In the "live-cattle clause" of an insurance policy, issued to cover a vessel, there was inserted among the dangers insured against any loss occasioned by "a sea." The clause "valued at \$——" was left unfilled, and no valuation of the cattle was named in the indorsement, but merely the sum insured. The New York Court of Appeals held (*Snowden v. Guion*) that the provision regarding loss by "a sea" did not limit the insured to a loss occasioned by the force of a single wave, and that the policy was an open and not a valued policy. Upon this point the Court said: "The policy is open if its blank is unfilled and no valuation of the subject insured is specified in the indorsement. In the present case the blank valuation in the body of the policy was left a blank, and no valuation of the cattle was named in the indorsement, but merely the sum insured. That sum, however, it is claimed, became the valuation by force of another clause of the policy, which reads: 'Indorsements valued at the same, provided they do not vary from the cost more than——per cent.' Where this phrase occurs in the policy it follows one which provides, 'No shipment to be considered as insured until approved and indorsed on this policy by the assurer,' and preceded the one already referred to, which agrees upon a valuation. If the phrase 'valued at the same' means 'at the sum insured,' then this form of policy is never an open, but always a valued, policy; and then, too, the subsequent formal clause, 'the said goods \* \* \* are valued at,' is superfluous and unmeaning, since already it had been said that the valuation was to be the sum insured. We think the clause relied on has an entirely different purpose and meaning, the force of which lies in the proviso. Its evident aim is to guard against an overvaluation when it is made effective

by filling up its blanks. It means that the property insured is valued 'the same' as that value is stated in the indorsement, provided that such value does not vary from the cost more than—per cent."

### Contingent Commissions.

In his recent rejoinder to a letter by Samuel P. Blogden, United States Manager of the North British & Mercantile, Vice President Moon of the Continental says, among other things:

"The fire losses of agents paid on this plan are less than one-third of the premiums, whereas the losses of agents paid on your plan are over one-half of the premiums; an important difference which makes a saving of the entire amount of commissions paid to the agents out of the loss account—a consideration which dwarfs that which you mention of the difference in expense of three per cent., which, as you know, has been calculated in the tables on the past experience of losses.

No small portion of the expenses now attendant upon the business as conducted upon the straight plan of commission would be saved on the contingent plan; such as the inspection of ordinary hazards by experts employed for the purpose to travel from town to town, and also that very serious expense connected with the adjustment of preventable losses, which would be saved under the contingent plan—more than enough, in the opinion of the writer, to offset any extra expense of commission, even if, as before stated, the entire commission were not saved out of the loss account itself.

I advocate 10 per cent. flat and 15 per cent. contingent, because I believe it would result in greater profit to the companies, and because I believe they could afford to pay it, and because I think the agents, encouraged under its incentive to work more diligently to prevent loss, would deserve and earn it, and therefore should receive it. It is, moreover, necessary to pay 10 and 15 on the contingent plan, because you and other advocates of straight commissions insist upon paying 15 flat, well knowing that agents would not work for one company

paying them less than 15 per cent. contingent when they can receive 15 per cent. flat from other companies in the same agency.

The agents in the various towns and cities have the "particular knowledge" of risks which those same general agents of yours cannot possibly have. Did you overlook that important fact? Your general agents and experts find it a physical impossibility to see, even once in each year, even a small proportion of your risks; only your local agents can inspect and watch the risks while your policies are in force; only they can observe whether a building is dilapidated or in good repair, whether the property is a paying or losing investment to its owner, making him careful of its safety or indifferent as to its destruction by fire,—which would often be a profitable casualty to him if insured for three-fourths of the cost,—only the local agent can know the character of the man to whom he issues your policy, whether he be a careful and honest citizen or a careless and unscrupulous scoundrel. Your policy holder at the time the policy is written may seem to be a desirable person to insure, but before your policy expires—and at a time when your general agent and you are hundreds of miles away—may develop traits of dishonesty or tendencies toward drunkenness or gambling, which would make him an unsafe subject for insurance. Under your plan of paying your agent, if he steps in at such a time and protects your interests, he will lose money, because he will be required to refund to you the commission on the return premium required to cancel your policy. He has no interest whatever to act for your protection; every interest he has is promoted by indifference to your safety.

Assuming that during the greater portion of the year he would regard his contingent as so uncertain as to be indifferent to it, working solely for the certain or flat portion of 10 per cent., you will surely concede that if he should happen to escape loss during the first nine months of the year (and three-fourths of our agents happen to do this each year, even under the present plan) during the last ninety days of the



year the contingent commission would not seem so uncertain to him; he would see a decided chance of getting it, and would be led to inspect and cancel all undesirable risks on his register to make more certain of securing his contingent, which would then be a considerable sum of money, and result for us in a more careful inspection, during that season of the year when we most need it, of flues and heating apparatus. You will certainly concede that such work during the last ninety days of the year would be a decided advantage secured by the contingent commission as contrasted with the flat, since your flat 15 per cent. commission gives him, during no one month of the twelve, any incentive whatever to inspection or carefulness. Indeed, he realizes that he is liable to lose money by thorough inspection, which may reveal faults making it his duty to cancel policies, and will naturally feel that where ignorance is innocence and bliss, wisdom would be an unprofitable folly.

You say: "The contingent, considering the chances of loss, would not be sufficient in the eyes of a calculating man to offset the attraction of the flat commission upon the larger amount of premium," etc., and you dwell with great particularity on the ever increasing avidity with which he would seek a volume of business on which to secure his 10 per cent. flat, being wholly indifferent to the possible contingent.

I do not agree with you as to how he would act under such circumstances; but let us, for the purpose of argument, concede that you are right. Now, if, in your judgment, he would show such greediness to secure a 10 per cent. flat commission and lose sight entirely of the 15 per cent. contingent, and of every other consideration in his mercenary scramble for it, may I inquire what you think he would do if paid 15 per cent. flat, without any contingent whatever. What would such a "calculating," mercenary, grasping and selfish ass of an agent do if paid on your plan, which would give him just fifty per cent. more flat commission and no interest whatever in profits? Do you not see that your argument is, word for word, in favor of the contingent plan, which offers one-third less inducement in the way

of flat commission to the agent to secure volume or quantity of business, and at the same time gives him a substantial percentage of profit, which, if he should escape loss, would insure to him at the end of the year  $12\frac{3}{4}$  per cent. more commission, as an incentive to secure quality and profitable business? The contingent commission plan is to that extent of one-third less flat commission, better than your straight plan, and the contingent commission involved, as some incentive to carefulness, however low you may estimate it, is to that further extent better than your flat commission, which has no incentive whatever to induce the agent to seek quality.

### FIRES.

The fire losses for the first five months of 1885 and 1886 were as follows:

	1885	1886
January.....	\$155,218	\$104,532
February.....	131,626	93,205
March.....	159,551	78,601
April.....	136,542	380,646
May.....	192,321	233,269
Total.....	\$775,258	\$890,253

In the losses last month the Fire Insurance Association of London was incorrectly credited with \$2,000.

May 1, San Francisco, carpenters' tools: Oakland Home.....	\$576
May 25, San Francisco, dwelling: Oakland Home.....	\$125
May 10, San Francisco, stock of human hair: Liverpool & London & Globe.....	\$1,200
May 24, San Francisco, merchandise: Liverpool & London & Globe.....	\$100
May 13, San Francisco, brick building: Hamburg-Bremen.....	\$550
May —, San Francisco, furniture factory: Providence-Washington.....	\$500
Sun, N. O.....	750
May 3, San Francisco, cigar stock: Sun, San Francisco.....	\$500
May 13, San Francisco, brick building: Sun, S. F.....	\$150
May 3, Santa Clara Co., Cal., frame dwelling: Liverpool & London & Globe.....	\$200
Imperial, London, Northern & Queen.....	1,000

May 11, Oakland, Cal., barn:	
Oakland Home.....	\$892
May 10, Stockton, Cal., merchandise:	
Liverpool & London & Globe.....	\$180
California.....	270
May 2, Red Bluff, Cal., dwelling:	
North British & Mercantile.....	\$400
May 10, Sacramento, Cal., machinery:	
German American.....	\$500
May 12, Tulare Co., Cal., dwelling and furniture:	
Home & Phoenix.....	\$1,000
May 11, Lemoore, Cal., frame building:	
Commercial Union.....	\$200
May 5, Alameda Co., Cal., dwelling and furniture:	
Home Mutual.....	\$1,750
May 3, San Mateo Co., Cal., dwelling:	
Phoenix, Brooklyn.....	\$750
May 31, San Jose, Cal., barn	
Home Mutual.....	\$600
May 20, San Jose, Cal., furniture stock:	
Scottish Union.....	\$500
National, Hartford.....	107
Anglo-Nevada.....	811
Imperial, London, Northern & Queen.....	1,050
Firemans Fund.....	107
Home & Phoenix.....	300
Phoenix, Brooklyn.....	311
May 2, Mendocino, Cal., brick building:	
Phoenix, London.....	\$600
May 19, San José, Cal., brick building and stock:	
Home Mutual.....	\$650
May 13, San Joaquin Co., Cal., dwelling and barn:	
Guardian.....	\$237
May 27, Fresno, Cal., dwelling:	
Phoenix, Brooklyn.....	\$900
May 17, Plymouth, Cal., building and general merchandise:	
Phoenix, London.....	\$1,306
London & Lancashire.....	1,100
Manchester.....	1,100
May 4, Oroville, Cal., frame dwelling:	
Firemans Fund.....	\$1,000
May —, San Francisco, planing mill:	
Oregon.....	\$1,000
May 28, San Bernardino, Cal., general fire:	
North British & Mercantile.....	\$2,500
Liverpool & London & Globe.....	150
Firemans Fund.....	300

May 3, San Francisco, frame building:	
California.....	\$526
May 24, San Francisco, general fire:	
Home Mutual.....	\$2,550
North German.....	875
New York Underwriters' Agency.....	5,735
Helvetia.....	275
New Zealand.....	1,125
Germania.....	250
Phoenix, London.....	1,000
Phoenix, Brooklyn.....	2,020
Hamburg-Bremen.....	400
Home & Phoenix.....	388
Merchants, N. Y.....	563
Clinton.....	563
Glens Falls.....	1,125
Merchants, N. J.....	900
Union, Phila.....	675
Springfield.....	1,350
Concordia.....	900
German, Ill.....	900
Fire Ins. Ass'n, London.....	900
St. Paul.....	728
United Fire.....	729
Continental.....	474
Teutonia.....	948
Boatmans.....	948
New Orleans.....	474
Germania.....	474
State Investment.....	4,125
Total.....	\$31,294
May 10, Sacramento, Cal., piano:	
British America.....	\$450
May 16, Alameda, Cal., frame building:	
Svea.....	\$550
May 14, El Monte, Cal., general merchandise:	
Scottish Union.....	\$575
National, Hartford.....	575
May 9, Stockton, Cal., furnishing goods:	
Phoenix, Brooklyn.....	\$180
London & Lancashire.....	180
May 18, Bakersfield, Cal., general merchandise:	
Etna.....	\$1,250
May 3, Stockton, Cal., dwelling:	
Hartford.....	\$474
May 16, Marysville, Cal., dwelling:	
Hartford.....	\$200
May 2, San Pablo, Cal., dwelling:	
Home Mutual.....	\$300
May 4, Stockton, Cal., barn:	
Home Mutual.....	\$600
May 9, Humboldt Co., Cal., barn and dwelling:	
Liverpool & London & Globe.....	\$400

Statement of the Condition and Affairs  
OF THE

# South British and National

Fire and Marine Insurance Company, of New Zealand,  
On the 31st day of December, A. D. 1885.

**Deposited in the State of Oregon, \$100,000 in U. S. Bonds.**

UNLIMITED LIABILITY OF SHARE-HOLDERS.

CAPITAL.....	\$20,000,000 00
Amount of Capital Stock paid up in Cash.....	\$ 1,136,467 50
Amount of Capital Stock subscribed.....	\$20,000,000 00

## ASSETS

Real Estate owned by Company.....	\$ 632,972 82
Loans on Bond and Mortgage.....	1,026,429 25
Cash Market value of all stocks and Bonds owned by Company.....	528,587 10
Amount of loans secured by pledge of Bonds, Stocks and other marketable securities as collateral.....	52,275 00
Cash in Company's office.....	2 13 52
Cash in Banks.....	72,660 18
Interest due and accrued on all Stocks and Loans.....	16,407 00
Interest due and accrued on Bonds and Mortgages.....	33,730 20
Premiums in due Course of Collection.....	718,856 36
Bills Receivable, not matured, taken for Fire and Marine risks.....	15,370 00
Rents Due and Accrued.....	2,440 00
Due from other Companies for reinsurance on losses already paid.....	19,241 00
Stamps on hand.....	1,643 00
Salvage on Claims and Agents' balances.....	20,135 00
<b>TOTAL CASH ASSETS.....</b>	<b>\$3,120,760 43</b>

## LIABILITIES.

Losses in process of Adjustment or in Suspense.....	\$ 317,850 00
Gross Premiums on fire risks running 1 year or less, reinsurance 50 per cent, and on Fire risks running more than 1 year, re-insurance pro rata.....	673,329 50
Gross Premiums on Marine and Inland navigation risks, re-insurance 100 per cent., and on Marine Time risks, reinsurance 50 per cent.....	242,043 50
Interest Due and uncalled for.....	279 58
Cash Dividends remaining unpaid.....	2,961 32
Due and Accrued for Salaries, Rents, etc.....	2,675 00
Due and to become due for borrowed money.....	94,580 00
All other demands against the Company.....	5,236 89
<b>TOTAL LIABILITIES.....</b>	<b>\$1,338,960 79</b>
<b>Surplus as regards Policy-Holders.....</b>	<b>\$1,781,799 64</b>

## INCOME.

Net Cash actually received for Fire Premiums.....	\$1,483,474 93
Net Cash actually received for Marine Premiums.....	970,769 14
Received for interest on Bonds and Mortgages.....	68,634 16
Received for interest and dividends on Bonds, Stocks, loans and from all other sources.....	41,169 00
Rents.....	24,060 22
Received for Fees.....	115 63
<b>TOTAL INCOME.....</b>	<b>\$2,588,223 08</b>

## EXPENDITURES.

Net amount paid for Fire losses.....	\$1,096,635 47
Net amount paid for Marine losses.....	748,968 02
Dividends to Stockholders.....	99,398 56
Paid or allowed for Commission or Brokerage.....	287,320 47
Paid for Salaries, Fees and other charges, for officers, clerks, etc.....	249,339 10
Paid for State, National and local taxes.....	13,590 35
All other Payments and expenditures.....	69,889 70
<b>TOTAL EXPENDITURES.....</b>	<b>\$2,565,141 67</b>

W. J. CALLINGHAM, GEN'L AGENT,

213 and 215 Sansome Street, San Francisco, Cal.





May 3, Santa Rosa, Cal., fruits, etc.:  
Phenix, Brooklyn.....\$176

May 25, Butte Co., Cal., dwelling:  
Imperial, London, Northern & Queen.....\$225

May 10, Sacramento, Cal., brick dwelling  
and furniture:

Firemans Fund.....\$1,155  
National, New York..... 657  
Commercial Union..... 595  
Liverpool & London & Globe..... 322

May 18, Los Angeles, Cal., dwelling:  
South British & National.....\$310

May 23, Cuffey's Cove, Cal., general fire:  
South British & National..... \$7 0  
Niagara..... 1,000  
Hamburg-Bremen..... 1,200  
National, Ireland..... 500  
Atlas, London..... 500  
Svea..... 2,636  
Fire Ins. Ass'n, London..... 500  
Pacific..... 534  
Firemans, Newark..... 500  
United Fire..... 500  
Teutonia..... 813  
Total.....\$9,433

May 3, San Pablo, Cal., barn:  
Oakland Home.....\$150

May 5, Walla Walla, W. T., frame build-  
ing and livery stable:  
Pennsylvania, Philadelphia.....\$600  
Lion..... 500  
Scottish Union..... 250  
National, Hartford..... 250

May 1, Ogden, Utah, general fire:  
Lion.....\$500  
Orient..... 500  
Phenix, London..... 1,000  
Western, Toronto..... 768  
Royal, Norwich Union and Lancashire..... 256  
North British & National..... 175  
State Investment..... 768

May 22, Cascades, Or., steamboat:  
Oakland Home.....\$1,500  
Guardian..... 2,500  
Scottish Union..... 1,750  
National, Hartford..... 1,750  
National, Ireland..... 1,000  
Total.....\$8,500

May 27, Weston, Or., flour mill:  
Royal, Norwich Union & Lancashire.....\$7,000

May 24, near Walla Walla, W. T., frame  
dwelling:  
Firemans Fund.....\$1,250

May 26, Walla Walla, W. T., dwelling:  
Phenix, Brooklyn.....\$800  
Caledonian..... 900

May 12, North Yamhill, Or., grain ware-  
house and flour mill:

Imperial, London, Northern & Queen.....\$2,503  
Liverpool & London & Globe..... 4,298  
Total.....\$6,801

May 21, Wasco county, Or., dwelling:  
Phenix, Brooklyn.....\$1,700

May 21, Lewis county, W. T., saw-mill:  
Hamburg-Magdeburg.....\$1,000  
City of London..... 1,000

May 28, Butte City, M. T., general fire:  
Etna.....\$850  
Western, Toronto..... 190  
South British & National..... 250  
Lion..... 500

May 16, Butte City, M. T., building and  
merchandise:

Lion.....\$1,000  
Phenix, London..... 500  
Western, Toronto..... 500

May 26, Prescott, A. T., dwelling:  
Hartford.....\$500

May 26, Tombstone, A. T., hoisting  
works:

Hartford.....\$2,500  
Ins. Co. of North America..... 5,000  
Firemans Fund..... 1,000  
Royal, Norwich Union & Lancashire..... 10,000  
Svea..... 2 500  
National, Ireland..... 2,500  
Howard..... 1,000  
Imperial, London, Northern & Queen..... 10,000  
Pennsylvania, Phila..... 2,500  
London & Lancashire..... 5,000  
Manchester..... 5,000  
Concordia..... 1,200  
Continental..... 2,500  
Clinton..... 1,200  
New Orleans..... 2,500  
Fire Ins. Ass'n, London..... 1,500  
Teutonia..... 1,250  
United Fire..... 1,250  
Springfield..... 1,200  
German, Ill..... 1,200

Total.....\$60,000

May 16, near Butte, M. T., frame dwell-  
ing:

Firemans Fund.....\$1,800

May 9, Benson, A. T., general fire:  
Lion.....\$1,700  
South British & National..... 1,200  
National, Ireland..... 1,500  
Firemans Fund..... 300  
Home & Phenix..... 4,500  
Connecticut..... 2,000  
Washington..... 600

Total.....\$11,800

May 10, Pomeroy, W. T., dwelling:  
Oakland Home.....\$500

May 14, Montesano, W. T., frame board-  
ing house:

Liverpool & London & Globe..... \$819  
Home, N. Y..... 750  
Anglo-Nevada..... 4,000  
Total.....\$5,569

May 6, McMinville, Or., flour mill and  
wheat:

Liverpool & London & Globe.....\$1,580  
Hamburg-Magdeburg..... 1,500  
Hartford..... 1,094  
South British & National..... 1,094  
National of Ireland..... 1,094  
Anglo-Nevada..... 2,188  
Imperial, London, Northern & Queen..... 1,094  
United Fire..... 1,368  
Oakland Home..... 1,368  
State Investment..... 2,736  
German, Ill..... 684  
Springfield..... 1,094  
Total.....\$14,899

May 23, Livingston, M. T., general fire:

Home & Phoenix.....\$2,600  
Union, New Zealand..... 1,000  
Scottish Union..... 1,100  
National, Hartford..... 1,100  
Firemans Fund..... 1,050  
Commercial Union..... 4,000  
Hartford..... 500  
Total.....\$11,350

May 12, Salem, Or., dwelling:

German American.....\$200

May 1, Ogden, Utah, general fire:

Hartford.....\$500

May 25, Salt Lake City, Utah, dwelling:

Hartford.....\$250

May 14, Sacramento, Cal., mill buildifg  
and stock:

German, Ill.....\$1,000  
Springfield..... 500  
German, Pa..... 500

May 26, Vallejo, Cal., frame dwelling:

American, Newark.....\$165

May 25, Butte Co., Cal., frame dwelling:

London & Lancashire.....\$200

May 29, Butte City, M. T., livery stable:

Manchester.....\$650  
London & Lancashire..... 650

May 29, Oakland, Cal., frame building:

State Investment.....\$600

May 9, Sacramento, Co., Cal., frame  
building:

State Investment.....\$300

May 23, Madera, Cal., frame building:

Fire Ins. Ass'n, London.....\$450

May 2, Redding, Cal., frame dwelling:

Firemans, Newark.....\$400

April 22, Phoenix, A. T., merchandise in  
adobe building:

Sun Fire Office.....\$997  
United Fire..... 998

May 21, Ocean View, Cal., dwelling:

Pacific.....\$444

May 12, Coolidge, Cal., hotel:

State Investment.....\$1,800

May 22, Yuba Co., Cal., frame dwelling:

American, Newark.....\$800

Grand Total.....\$233,269

## CHIPS.

—George C. Pratt has been promoted to  
the general agency of the California Insur-  
ance Company.

—E. C. Preston, Secretary of the Michigan  
Fire & Marine Ins. Co. of Detroit, Mich.,  
visited this city last month.

—President Bromwell, of the California Ins.  
Co., succeeds Messrs. Hopkins & Bromwell,  
United States managers of the Union F. &  
M. Ins. Co. of New Zealand.

—L. C. L'hote, for several years a special  
and adjuster with the Western F. & M. Ins.  
Co., has been appointed to a similar posi-  
tion with Hutchinson & Mann.

—W. F. Mason has been appointed Super-  
intendent of Agencies of the Western  
Department of the Union Mutual Life  
Insurance Co., vice J. T. Ferris, deceased.

—The *Chronicle* Fire Tables estimate the  
losses in the United States last year as fol-  
lows:

Month.	No. of risks burned.	Losses.
January.....	2,239	\$9,502,967
February.....	2,299	11,290,350
March.....	2,449	10,077,307
April.....	2,009	9,102,320
May.....	2,461	10,145,687
June.....	1,736	5,892,081
July.....	2,159	9,313,729
August.....	1,814	6,492,748
September.....	1,618	7,271,555
October.....	1,785	6,748,813
November.....	2,326	7,890,407
December.....	1,923	9,084,832
Totals.....	25,018	\$102,812,796



—A. F. Sewell has been appointed special for the California and the Union of New Zealand.

—H. B. Smith, late with Smith & Moody's agency, has been appointed special and adjuster for the Union of San Francisco.

—The Fidelity & Casualty Ins. Co. received \$7,869 in premiums from its surety business in Massachusetts last year, and lost only \$75.45.

—The *Argus* of Chicago has issued a comparative chart showing the receipts and losses of the principal fire companies in the Western States in 1885.

—In the adjustment of a loss at Las Vegas, New Mexico, it was found that a stuffed pelican was among the contents of the saloon. One agent contended that the pelican was insured as a bar ornament, but another agent took a contrary view, and finally his argument prevailed. Much merriment was created by the discussion, and the spectacle of the poor pelican, scorched and black, sitting on the ice box, looking solemn and despondent, was a ludicrous feature of the adjustment.

—From the *London Finance Chronicle* we make up the following table of the business of leading British fire offices for four years:

Year.	Co.'s	Premis.	Losses.	Per cent.
1881.....	47.....	£8,551,431	£5,562,927	64.6
1882.....	49.....	9,725,451	6,617,040	68.0
1883.....	53.....	11,244,672	7,146,091	64.9
1884.....	52.....	11,552,943	7,590,926	66.0
Total.....		£41,074,497	£26,916,984	65.6

The aggregate commissions were £6,674,818, or 16.25 per cent of premiums. This is within 2 of the per cent. paid for commissions in the United States, which we showed to be 17.9 per cent., on page 263 of the April COAST REVIEW. The expenses of management, aside from commissions and brokerages, aggregated £5,854,782, or 14.25 of premiums, which is far less than the corresponding expenses in this country last year (27.56 per cent.). The total expenditures were 96 per cent. of the premiums, leaving a profit of 4 per cent. on the average. The margin in the United States last year was 4.54 per cent. The stockholders' share of the premiums is, in both countries, too small for the great risk assumed.

—The death rate of the American Legion of Honor in Texas since organization has been nearly 29 per 1,000.

—The Anglo-American wildcat of Washington, D. C., has eight suits pending against it in the Supreme Court of the District. The policies of this fraud are being offered in this State.

—Acknowledgements: Copp's List of Mines in the United States; New York Insurance Report; Michigan Insurance Report; California Fruit Culture, by Dewey & Co.; Kansas Insurance Report; Connecticut Insurance Report; New Hampshire Insurance Report; Texas Insurance Report; Massachusetts Life Insurance Report.

—The insurances effected on property in London during 1885 aggregated \$3,719,796,215, on which the offices paid a tax of \$130,193 for the maintenance of the fire brigade. The writing in excess of £2,000,000 on London property in 1885 was:

Sun.....	\$79,207,031
Phoenix.....	72,608,119
Law.....	49,580,554
County.....	48,372,004
North British & Mercantile.....	42,401,895
Liverpool & London & Globe.....	37,930,433
Royal.....	34,023,387
Royal Exchange.....	31,996,675
Westminister.....	28,364,217
Imperial.....	26,835,283
Commercial Union.....	26,323,461
Union.....	22,661,989
Alliance.....	22,586,553
Atlas.....	22,361,922
Guardian.....	21,551,439
London.....	21,293,127
Hand-in-Hand.....	16,844,000
Northern.....	15,742,600
Norwich Union.....	13,561,277
General.....	11,932,177
Law Union.....	9,786,452
Queen.....	9,250,750
London & Lancashire.....	8,057,010
Lancashire.....	7,807,700
Fire Insurance.....	7,802,450
Manchester.....	6,364,193
Scottish Union & National.....	6,361,480
West of England.....	5,883,771
City of London.....	4,500,000
National.....	3,837,056
London & Provincial.....	3,795,000
Mutual.....	3,668,852
Kent.....	3,342,950
Equitable.....	3,037,263
Lion.....	2,387,462
Royal Farmers & General.....	2,065,538

—We have a new beautiful picture in our office. It represents the co-operative and the member. It is the picture of a wolf and a lamb.

—J. W. G. Cofran was presented by the underwriters of Portland with a handsome gold match box and a gold-headed cane on the occasion of his departure to assume the joint managership of the Hartford Fire Ins. Co. in San Francisco. The match box is ornamented with a spider in diamonds and rubies endeavoring to entice a fly in diamonds and turquoise into his web—emblematical of the insurance business it is said. Both the cane and the match box bear this inscription: "J. W. G. Cofran: from the underwriters of Portland, May 29, 1886." A complimentary address accompanied the gift.

—In New York city there is a co-operative accident association which must be a big bonanza to its managers. It is styled the United States Mutual Accident Association, and we believe does a little business on the Pacific Coast. Some of our readers may encounter the certificates of this hat-passer, and a brief analysis of the statement of the association will probably be serviceable for the enlightenment of its dupes. According to the statement filed with the New York Insurance Department, the association received last years \$372,280 from members, and, in addition, \$20,798 as deposits for future assessments. The losses and claims paid to members during 1885 were \$158,129, or only 42.6 per cent. of the \$372,280 received from members. This leaves a neat balance of \$214,151 as the managers' share, out of which, of course, they pay expenses. The assessments yielded \$293,370, but the amount paid to claimants was only 54.5 per cent. (\$158,129) of the assessments. The members may well inquire why these extra assessments are levied. The total expenses of management include extraordinary salaries and \$56,780 for advertising and printing. The total expenses of management were \$216,899, or over 58 per cent. of the receipts. That is a very costly management, and the proportion of expenditures shows that somebody is coining some money out of the members of the association.

—The April losses are estimated at \$8,000,000.

—Charles R. Johnson, of Los Angeles, visited San Francisco last month.

—Commissioner Tarbox says that intelligent promoters of the assessment plan now admit the radical defect of the original scheme as a permanent system, and seek expedients to remedy it. They concede, what heretofore they denied, that a reserve is an indispensable factor in any safe scheme of life insurance.

—Chas. B. Whiting, Secretary of the Hartford Fire Insurance Co., has been elected President of the Orient Insurance Co. of Hartford, succeeding John W. Brooks. Mr. Whitney is an able and well known underwriter. He was the first Secretary of the Executive Committee of the National Board of Fire Underwriters, and for many years was connected with the Home Insurance Co. of New York. For the past six years he has been the Secretary of the Hartford Fire. Since his election to the presidency of the Orient, the shares of that company have advanced strongly.

—The annual statement of the Transatlantic Fire Insurance Co. of Hamburg shows considerable gains in assets, net surplus, and premiums. The assets are now \$1,192,662, a gain of \$155,356; the net surplus advanced from \$192,968 to \$214,210, and the premiums from \$475,179 to \$518,361. The assets in the United States are \$484,355.36, and the liabilities, \$175,455.91, leaving the net surplus for the special security of American policy holders, \$308,899.45. The net premium receipts from the American branch of the Transatlantic were \$250,704, or about one-half of the total business. The loss ratio in this country was 59 per cent. On the Pacific Coast the loss ratio was only 25.2 per cent. The figures for the Coast business for the past five years aggregate as follows: Premiums, \$337,790; losses, \$90,870; loss ratio, 26.9 per cent. Geo. Marcus & Co. are general agents of the Transatlantic for the States and Territories west of the Rocky mountains. The uniformly profitable business transacted by these gentlemen is creditable to them as underwriters.

—Hon. J. Sloat Fassett, now serving his second term in the New York State Senate, is on his way to San Francisco. Mr. Fassett has distinguished himself by his ability and fairness in dealing with underwriting interests in the Legislature of his State. He is chairman of the insurance committee of the Senate. If the gentleman will give the San Francisco underwriters the opportunity, we suggest that they give him a sample of California hospitality.

—The *Independent*, of Glendive, Montana, says: "Glendive has been visited by more fires during this past winter than it ever has since its infancy, and what has been the experience of those who have met with losses? Those who were insured in Montana have all received their money, while those who went to Dakota to save a cent or two on a dollar have not been paid, and the prospects are some never will receive a cent, or if they do will have to go into an expensive law suit, and will have to go to Dakota to bring it."

—The Baltimore *Underwriter* says: The persistent claim of the counsel of Mrs. E. B. Morgan, on loss incurred in the destruction of her property on West Pratt street, in this city, eight months ago, brings out the statement that the Puget Sound Fire Insurance Company of Tacoma, Washington Territory, is in a state of rapid dissolution. On the 23d of March, Mr. C. M. Easterday was appointed receiver of the concern, but as it turns out to be a one-sided affair, with superabundant liabilities and no assets, the work of the undertaker will be easy. The owner of the property destroyed will probably fight shy of wildcats in future.

—Commissioner Forster, of Pennsylvania, says: It is contrary to public policy to permit or encourage the insurance of property to its full value, much more for more than its value; and equally contrary to sound public policy to require the full amount of insurance to be paid irrespective of the actual loss sustained. The incendiary not only destroys his own property and cheats the company, but he imperils the property of his neighbors. He is an evil of the greatest magnitude. If he exists under

present circumstances, with the right to recover no more than the actual damages sustained by the destruction of his property, what might be anticipated under a law which would secure to him more than the value of such property?

—Insurance Commissioner Pillsbury prints the following list of wildcats operating in New Hampshire since the exodus of the legitimate companies. There are as many more, he says:

Birmingham Ins. Co., of Birmingham, Ala.; Insurance Co. of Dakota, Sioux Falls, Dak.; Reliance Mutual, Dubuque, Ia.; Fargo Ins. Co., Fargo, Dak.; Arlington Ins. Co., Memphis, Tenn.; Indiana Ins. Co., Indianapolis, Ia.; National Mutual, Salina, Kansas; Louisiana Ins. Co., New Orleans, La.; Union Mutual, St. Louis, Mo.; Mutual Fire, Philadelphia, Pa.; Council Bluffs Ins. Co., Iowa; Commonwealth Mutual, Decatur, Ill.; Monarch Ins. Co., Des Moines, Ia.; Anglo-American, Washington, D. C.; Portsmouth Ins. Co., Portsmouth, Va.; Kittanning Ins. Co., Kittanning, Pa.; Puget Sound Ins. Co., Tacoma, Washington Territory.

—It is announced that the Phenix Insurance Co. of Brooklyn will increase its lines to \$50,000 upon preferred risks. An inspector of such risks will be employed in conjunction with a mutual which has made a successful specialty of large lines. The success of the new departure depends almost entirely on the company. Where one can profitably carry the largest risks, many with less judgment and caution would as certainly lose money. Probably no company is better qualified than the Phenix to increase its lines so largely. Certainly, if the mutuals, through a thorough system of inspection, can safely carry such large lines, stock companies like the Phenix, employing similar methods of inspection, are warranted in undertaking equal lines.

—But if you want to see a really disturbed underwriter, prick him with the pen of the daily press. He wants to see the editor right away. And it is not too much to say that for one dollar wrung from unwilling companies by the insurance press, the daily press has secured its thousands. Insurance is one of the prominent factors in our modern commerce, one of the necessities of our civilization, but in how many daily papers could an article on insurance find place except at advertising rates? How much of a bulwark is the daily press against bad insurance legislation? How does the daily press treat insurance cases in courts of justice?—*Weekly Independent*.



—A person took out three policies of insurance on his own life for the benefit of his wife and children. After the death of his wife he surrendered the policies, signing as guardian of his children, all of whom, with one exception, were of full age. The New York Court of Appeals held (*Whitehead v. New York Life Insurance Company*) that the surrenders were void; that under the New York statutes the policies at the moment of their execution vested in the wife and children; that the policies could not be surrendered without their assent, and that the surrender having been made without that assent, the children were entitled to recover the amount of the policies forfeited at the time of the surrender, less unpaid premiums and interest.

—*Insurance*, of New York, says: The element of uncertainty in life insurance canvassing is in itself an attraction. Each day's success or failure may hinge upon one of a thousand chances. In some respects it is like fishing. The fisherman gets into his boat in the early June morning, eager, expectant, and rows away to a fairy-like island in the lake, and in the shadow of a great rock, where there is good depth of water, he throws overboard his anchor. The water is placid, the day is glorious, he knows that in the depths below lie the great bass of which he is in quest. He hooks a silvery minnow through the gill and sets him swimming. Then he waits. A thrush sings in the alders behind him, and a hundred yards from him he sees the black head of an alarmed muskrat plowing through the water. A mile away, along the shore of the lake, the smoke is rising from farmhouse chimneys, and he pities people who toil in summer. But where are the fish. He draws in his line and attaches a fresh minnow. The day advances. But not a token does he get from below that there is life there. And so, after the lapse of hours, he concludes that something is wrong, perhaps the wind is not favorable, and he pulls in his anchor and rows away. But if he goes back on the following day the chances are that he hooks a three-pounder within a minute from the time his minnow is overboard.

—A life insurance agent (may his tribe increase) awoke one night from a deep dream of peace, and saw within the moonlight in his room, making it rich and like a lily in bloom, an angel writing in a book of gold. Exceeding "biz" had made the agent bold, and to the presence in the room he said, "What writest thou?" The vision raised its head, and with a look made of all sweet accord, answered, "The names of those who serve the Lord." "And is mine one?" said the agent. "Nay, not so!" replied the angel. The agent spoke more low, but cheerly still, and said, "I pray thee, then, write me as one that serves his fellow-men." The angel wrote, and vanished. The next night it came again, and with a great wakening light, and showed the names whom serving of God had bless'd, and lo! the insurance agent's name led all the rest.

—In the case of the French spoliation claims the Court of Claims at Washington, D. C., on the 21th ult., held that insurers of captured vessels are not forced to sue in the names of the owners whom they insured, but may sue in their own names, and are entitled to recover what loss they actually paid, even though there were no technical abandonment, as the seizure and confiscation amounted to a constructive total loss which by the law of insurance does not demand formal abandonment or cession in order to vest rights in the insurers. A motion made by the Government to strike out evidence was denied, with leave to renew it at trial upon the merits, the court holding that the jurisdictional statute gives an elasticity to the rules of evidence not known to the common law, and while they will so far as possible be judged by the principles of that law, yet whenever by reason of its technicality it tends to defeat substantial justice, they will feel authorized by the statute to go somewhat beyond the common law rules, especially in regard to historic documents, whose authenticity depends largely upon their appearance, antecedents, internal evidence of genuineness and surrounding circumstances. As to such documents no general rule can be announced in advance, and each case must be decided upon its own merits.

—D. W. C. Skilton, Secretary of the Phoenix Ins. Co. of Hartford, is visiting California, and will return on the 20th inst.

—All the prominent insurance agents in St. Louis will close their offices at 2:30 P. M. on Saturdays until October.

—J. B. Carroll, of Los Angeles, passed through San Francisco a few days ago en route to Chicago, where he will hereafter reside.

—Bowers, who murdered his wife to secure \$17,000 insurance in co-operatives, has been found guilty and sentenced to be hanged.

—The *St. Louis Examiner* is the title of a little insurance weekly not yet out of its swaddling clothes. Don't ask us what that means. The infant shouts lustily.

—John H. Washburn, Vice-President of the Home Ins. Co. of New York, is visiting this Coast, accompanied by Mrs. Washburn. They will return home in July, via the Northern Pacific.

—Immediately after the adjournment of the Pacific Insurance Union, a few days ago, the following conversation took place between the *COAST REVIEW* and a prominent local underwriter:

L. U.—Who are those two Eastern men, from the Home and Phoenix offices?

C. R.—Vice President Washburn of the Home and Secretary Skilton of the Phoenix. Why do you ask?

L. U.—I believe those fellows are putting some mischief into Magill's head about the Pacific Insurance Union.

C. R.—I don't think so. It does not seem probable that they would attempt to influence Manager Magill to the detriment of the best interests of the Union by any mischievous suggestions. Why do you think so?

L. U.—Well, Magill acted very queerly to-day at the Union meeting, and I think there is something in the wind.

C. R.—What did Magill do that gives you these impressions?

L. U.—Well, of course, you understand that the meetings are confidential; but Magill acted queerly; I am at liberty to say that much.

—The Morse, Noel & Whaley agency in San Diego has been sold to a gentleman from Colorado.

—Hoyt & Wickes have been appointed agents for the Queen Ins. Co. for San Francisco and vicinity.

—Peter Outcalt, late with the California Ins. Co., has been appointed a special agent and adjuster for Messrs. Gutte & Frank's general agency.

—Secretary Bodwell, of the Orient Ins. Co., announces that D. G. Gordon is no longer employed by that company, and that all business communications should be addressed to the Orient direct.

—The *Ætna* has just got out a gorgeous picture illustrating the danger of fire in growing grain. If it doesn't persuade the granger to insure, nothing will. A ten-acre wheat field in the foreground is burning more fiercely, with blacker smoke and higher flame, than the great Chicago fire, yet two men are bravely fighting it with their blouses! So terrifying is the sight that a horse, running away with an affrighted family, has actually shrunk so with terror that he is as wide as he is long. The picture is truly a work of art, and we joyfully give it the post of honor in our art collection.

—Mr. Tarbox reads a sermon to life companies, taking as his text the solicitation of Gen. Hancock by some agent who wanted a commission or notoriety, or both. Mr. Tarbox assumes that the company made the offer. Well, supposing the company did. Gen. Hancock was apparently a healthy man, but healthy or unhealthy, he would have been subjected to an examination by a competent physician. It is not likely that he would have said no to the agent had he suspected that he had an "impaired constitution." Mr. Tarbox says: "On the whole it is better the widow of the dead hero should be provided for by the voluntary gifts of his grateful countrymen than by contributions levied upon other widows as needy as she." It is not exactly clear to us how the payment of a policy on the life of Gen. Hancock would have been "a contribution levied upon other widows."

—Ed. Kalisher, of Steinberg & Kalisher, has just returned from New York, where he has been ill for two months.

—The Aetna Insurance Company of Hartford has issued a new form of fire policy, printed in long primer, with clauses and conditions in marginal notes in red.

—The Sixth Annual Convention of the Southeastern Tariff association was held at Atlanta last month. They need a strong, harmonious association to bring profit out of the business in that section of these United States. A new form of cotton policy was adopted. The reports in our exchanges are very elaborate and very dull. We get the impression that few Southern men were present, as only one Colonel and one Major are mentioned.

—In the May *Argus*, of Chicago, appeared a statement in the London correspondence that Jacobs & Easton of this city had applied for the agency of the John Bull Ins. Co. of England. The John Bull is an English wildcat with a paid up capital of less than \$400. The statement was evidently a malicious and certainly a silly falsehood, instigated in San Francisco, Chicago or London for the purpose of reflecting upon Jacobs & Easton. It is not necessary for us to add that the gentlemen deny ever making such application.

—The Union Fire & Marine Ins. Co. of New Zealand, represented on this Coast by President Bromwell of the California, made considerable gains in assets and net surplus last year. The prominent figures of the Union's statement for December 31, 1885, filed with the Insurance Commissioner, are: Assets, \$937,065; net surplus, \$144,306; premiums, \$552,439; losses, \$353,760; receipts, \$607,318; expenditures, \$565,372; leaving a profit of \$41,946, as the result of the year's transactions. The cash capital of the Union is \$500,000, making the surplus as regards policyholders, \$644,306. Ten per cent. dividends were paid to the stockholders. The loss ratio was the same as last year, 64 per cent., but the ratio of management expenses (22 per cent.) was 4 per cent. less. In this field the company did a large business, as usual.

—Capt. Geo. Welch, of Welch & Rosenthal, of San Jose, Cal., was in town last month.

—The Employers' Liability Assurance Corporation of London has applied for admission to several Eastern States. It has \$500,000 cash capital, and does a general accident and fidelity business.

—The COAST REVIEW FIRE INSURANCE CHART for 1886 will be ready for delivery about the 15th inst. A large edition is being printed. In addition to the usual statistical information, it will contain the tables of short rates in use on the Coast.

—Ed. E. Potter, Secretary of the Sun Ins. Co. of this city, has been appointed agent of the Michigan F. & M. Ins. Co. of Detroit. The Michigan has \$200,000 paid up capital, \$345,227 assets, and \$54,576 net surplus. It was organized in 1881.

—The Insurance Laws of the State of California, from the COAST REVIEW press, is a work of eighty pages, with a three-page index. It is a compilation of all the sections of the civil, political and penal codes relating to insurance corporations and insurance in general, including many sections not heretofore compiled. Price, \$2.00 per copy.

—The grain crop is unusually large on the Coast this year, but it is not "a patch" to the crop of locals and specials who are industriously at work endeavoring to cover the crop with the best policies on earth, sir. The competition for business is so strong that the more zealous may need a little curbing, lest enterprising grangers find it more profitable to sell to the companies than to the grain-buyers. It is an alarmingly easy matter to fire growing crops without detection, and if the prospects suddenly become poor, as is frequently the case, the insurance policy presents a tempting means of escape from financial embarrassment. Much, therefore, depends upon the good judgment and vigilance of the agent or special. The insurance of standing and growing grain, though somewhat hazardous, has heretofore been profitable, and the present outlook is so tempting as to justify extraordinary exertions and the most hopeful anticipations.



—On November 25th, 1873, nearly thirteen years ago, a fire broke out in the Bancroft building in Market street, and caused a loss of \$100,000, and an insurance loss of \$51,100. The fire originated in the basement of the furniture store, as was the case at the last burning of the Bancroft building.

—In the aggregate the fire companies enjoyed a prosperous year in Minnesota last year, a delightful and unusual experience. The average loss rate was 42 per cent. against 72 for 1884. The foreign companies fared a trifle better than the American. The average premium rate was 1.34; 1.29 for the foreign and 1.35 for the domestic companies.

—Another nicely printed report is that of Kansas. Indeed, all the State reports are creditable to the printer's art, though the paper is sometimes detestably cheap. The Canada report is always an eye-sore, looking like the presswork of a country newspaper in a frame town when the thermometer is 40 degrees below zero, and the "devil" keeps a roaring fire beneath the press. We suspect that the Canada printers apply the ink with a red-hot poker.

—The fire losses of the United States during the past six years, according to the *Chronicle's* fire tables, were as follows:

Year.	Property loss in United States.	Aggregate insurance loss.
1880.....	\$74,643,400	\$42,525,000
1881.....	81,280,900	44,641,900
1882.....	84,505,024	48,875,131
1883.....	100,149,228	54,808,664
1884.....	110,008,611	60,679,818
1885.....	102,818,796	57,430,709
Six years .....	\$553,405,959	\$308,961,222

—Here is an item for people who talk about the grasping monopoly of life insurance companies: In 1867 Dr. Hugh Mulholland, of Boston, took out a policy for \$10,000 in the Connecticut Mutual Life Ins. Co., through the agents at Louisville, Ky. The premiums were paid some time, when the doctor applied for a paid-up policy. Before the arrangements were completed, the policy was mislaid, and was not recovered for sixteen years. The company, upon being informed of the facts, forwarded a liberal paid-up policy.

—The *Insurance Times*, under the new management, presents a handsome appearance. There is a new cover, and the ugly head-lines have given place to cap italics. Otherwise the paper is much the same.

—S. B. Davenport has sold out his agency at Stockton to Drown & Potter. Mr. Davenport returns to Walla Walla, W. T., having repurchased his old agency from M. H. Paxton, whose failing eyesight has forced him to give up business.

—Our American co-operatives have so thoroughly canvassed the home field that the material for new members is becoming alarmingly small. New fields will have to be hunted up ere long, or the hat-passing scheme must be abandoned. Mexico is not an inviting field, China is not to be thought of, Australia has too small a population, South America is too far away, and the prospects in Africa are too dark. We suggest that the co-operatives turn their attention to England. Assessment insurance is unknown in that country, and the language of the people resembles the American language so much that no difficulty is experienced in transacting business with the natives.

—There is an old proverb or phrase, or something of that sort, about "heaping coals of fire" upon the head of an offender. The victim does the heaping, and in displaying a forgiving spirit, is supposed to make it uncomfortably warm for the sinner. We lately heard of a case of red-hot coal heaping which may interest the reader. In a large Western city, a publisher and printer, whom we will call A, was burned out. His fellow printers, except B, all generously tendered him the use of their offices until he could buy new type and presses. B declined to sign a paper wherein the use of the printing facilities of the several signers was 'courteously tendered to the unfortunate A. B coldly said that A could attend to his business, and that he, B, would attend to his own. About a year later, B's big printing establishment was burned to the ground. Only one printer came to his aid, and that one printer was A. So runs the story. It is added that B accepted the proffered assistance.

THE

# TRAVELERS LIFE AND ACCIDENT INS. CO.

OF HARTFORD, CONN.

CASH CAPITAL .....	\$600,000 00
Assets January 1st, 1886.....	8,417,038 21
Liabilities.....	6,321,199 35
Surplus.....	\$2,095,833 86

This Company has A **NEW LIFE POLICY** which is the most liberal in the market and has covered over ONE MILLION DOLLARS per month in new business since Dec. 1st last. Its policies, both Life and Accident, are non-forfeitable and world-wide. It paid during 1885 \$885,012.34 under its accident policies, and over \$379,000.00 under its life policies, and *pay all claims immediately without discount.*

W. W. HASKELL, GENERAL AGENT,

242 Montgomery St., Cor. Pine.

JAS. G. BATTERSON, President.

RODNEY DENNIS, Secretary.

## The Northwestern Mutual Life Ins. Co.

OF MILWAUKEE, WIS.

ASSETS, January 1, 1886.....	\$24,265,257 00
LIABILITIES, January 1, 1886.....	18,747,929 00
SURPLUS, 4 per cent.....	\$5,517,328 00

Since its organization the Company has paid to the representatives of its deceased policy-holders for death losses.....\$13,282,000 00  
And to its living policy-holders for Dividends, Matured Endowments, Surrendered and Lapsed Policies.....23,490,337 00.

Total.....	\$36,772,337 00
Add present Assets.....	24,265,257 00.

Amount paid to policy-holders and held for them.....	\$61,037,594 00.
Total Premiums received.....	52,422,966 00

Excess of Assets and Payments to Policyholders over Premium Receipts....\$8,614,628 00.

## OFFICERS.

H. L. PALMER, President.  
MATTHEW KEENAN, Vice-President.

WILLARD MERRILL, 2d Vice Pres.  
EMORY MCCLINTOCK, Actuary.

J. W. SKINNER, Secretary.  
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Office, Portland, Oaegon.

Reliable Agents Wanted in the Above Districts.

# THE COAST REVIEW

A MONTHLY JOURNAL

DEVOTED TO

FIRE, MARINE, LIFE AND ACCIDENT INSURANCE.

J. G. EDWARDS, PROPRIETOR,

320 Sansome St. (Room 13), San Francisco, Cal.

(Take the Elevator.)

VOL. 21.

JULY, 1886.

No. 7.

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Advertising rates made known on application.

## Digest of Recent Insurance Decisions.

### FIRE.

PROVISION FOR ARBITRATION OF A COLLATERAL CONTRACT—*Crossley v. Connecticut Fire Ins. Co.*, U. S. C. C., Mass., April 6, 1886—Policy provided for arbitration. Upon the vital question whether the agreement for reference is, on the one hand, a collateral contract, or, on the other hand, is expressly or by implication a condition precedent to recovery or to any proof of the amount of the loss. *Held*: That the agreement is a collateral contract only.

ADDITIONAL INSURANCE—*Phoenix Fire Ins. Co. v. Lamar*, Ind. S. C., May, 1886.—Additional insurance without consent of company was prohibited by a clause in the policy. Plaintiff averred that the additional insurance alleged to have been taken was void and not collectible and asked that judgment might be rendered on the policy in suit. The company answered, alleging that the condition of the policy had been violated, in that a policy for \$500 had been taken out in another company covering a part of the property destroyed without consent, written or otherwise, of the company. The lower court held that the addi-



tional insurance alleged to have been placed upon the property was worthless and uncollectible, and thereupon gave judgment for plaintiff. *Held*: That under the stipulation in this policy other insurance without the required consent will release the company from liability, *whether such other insurance is valid and collectible, or whether it is void*; and that it can make no difference in this respect whether such unauthorized insurance is valid or not. (See 4 U. S. Rep., 582; 92 Ill. 145, and 35 Mich., 395.) *Held*: That where the prohibited policy held or received by the insured is in and of itself invalid and void, so that in fact it constitutes no contract of insurance, in such case it will not affect the validity of that under which claim for indemnity is made. But if to avoid the prohibited policy requires the production of facts extraneous to the policy, it will be within the condition against further insurance, and unless consented will render the other insurance voidable and no liability can attach to the company.

#### MARINE.

• **CONTRACT.** — *Phoenix Ins. Co. v. Erie Western Trans. Co.*, U. S. S. C., May, 1886. That where an oral agreement for carriage was made on one day, with the understanding that the bill of lading should follow on the next day, and the certificates of the agent of the insurance company, without which the policy of insurance did not attach on the goods, were made on the first mentioned day, and described the goods as on board the vessel, the contract of carriage and the contract of insurance were substantially contemporaneous.

**SUBROGATION — CARRIER'S RIGHT TO BENEFIT OF INSURANCE** — *Ibid.* — (2.) That a carrier may lawfully stipulate with a shipper of goods to be allowed the benefit of insurance obtained by the latter, even as against his own negligence, and neither the owner nor the insurer can maintain any action against the carrier inconsistent therewith. In any form of remedy, the insurer can take nothing by subrogation but the rights of the assured. (3.) That

any lawful stipulation between the owner and the carrier of the goods, limiting the risks for which the carrier shall be answerable or the time of making the claim, or the value to be recovered, applies to any suit brought in the right of the owner, for the benefit of his insurer, against the carrier. (4.) That no rule of law or of public policy is violated by allowing a common carrier, like any other person having either the general property or a peculiar interest in goods, to have them insured against the usual perils, and to recover for any loss from such perils, though occasioned by the negligence of his own servants. By obtaining insurance, he does not diminish his own responsibility to the owners of the goods, but rather increases his means of meeting that responsibility.

“PERILS OF THE SEA” — *Hamilton, Frazer & Co. v. The Thames & Mersey Marine Ins. Co.*; London C. of A., May 27, 1886. — The pump attached to a donkey engine burst and caused a small damage which the owners sought to recover from the insurers. Defendant resisted on the ground that it was not a loss within the terms of the policy. In giving judgment, the Court referred to the case of the “West India Telegraph Co. v. The Home and Colonial Insurance Co.” (“Law Rep.,” 6 Q. B. D., 51), in which he had concurred in holding that a loss caused by an explosion of steam was recoverable, as it was of the nature of a loss caused by fire, but said that he considered that case went to the extreme verge; and that this case went beyond it, and the loss could not be brought within any of the terms of the policy; for it was not a loss by any of the “perils of the sea” — by the winds and waves — or any analogous cause, nor in the course of navigation, but simply from the pressure of cold water.

*Held*, That the bursting of the chamber of the donkey engine is not a “peril of the sea,” and that it is not within the meaning of any other enumerated perils, but the question is whether it is covered by the concluding words, “all the perils, losses and misfortunes that had or should come to the hurt, detriment or damages of the

aforsaid subject-matter of insurance or any part thereof." It is material to consider what is the true construction to be placed on these general words. In "*Cullen v. Buller*" ("*S. M. and S.*"), the vessel was lost by being fired into by mistake. It was held that the loss was covered by the general clause. Lord Chief Justice Ellenborough said: "The extent and meaning of the general words have not yet been the immediate subject of any judicial construction in our courts of law. As they must be considered as introduced into the policy in furtherance of the objects of marine insurance, and may have the effect of extending a reasonable indemnity to many cases not strictly covered by the special words, they are entitled to be considered as material and operative words, and have the due effect assigned to them in the construction of the instrument, and which will be done by allowing them to comprehend and cover all cases of marine damages of the like kind with those which are specially enumerated and occasioned by similar causes." In "*Phillips v. Barber*" (5 "*B. and Ald.*," 161) damages done to a vessel in a graving dock for repairs by being blown over by the wind, was held within this general clause, and by the explosion of the boiler, in "*Perrin v. Protective Insurance Company*" (11 Ohio, 147). Injury sustained by the accidental breaking or giving way of the tackle and supports whereby the vessel was supported in being moved from a dock where she had been hauled up for repairs ("*Devaux v. L'Anson*," 5 "*Bing., N. C.*," 519). Surely if the cases above cited come within the general clause it would be unreasonable to hold that a bursting of a part of the machinery connected with the motive power necessary for the navigation of the vessel, was not covered. Lord Selborne said, in "*The West India Telegraph Company v. Home and Colonial Insurance Company*": "What the winds are to a sailing vessel steam is to a steamer, and it is as reasonable that marine insurers should bear the risks incident to a navigation by that kind of power, whether from excess of pressure on the boiler or from defects of safety-valves or from neglect or mismanagement,

making that dangerous which otherwise would not be so, as that they should bear losses occasioned by excessive pressure of winds and defects or mismanagement of a ship's sails and tackle." Every word quoted is applicable to this case. We have no hesitation in holding that the bursting of the chamber of the donkey engine used for the purposes of the voyage in the ordinary course of navigating the ship is *ejusdem generis* with a peril of the sea and a loss covered by the general clause. If the ship had been a sailing ship, and a spar, when she was getting under sail in port, had fallen on the deck and been broken, surely it would have been a loss within the policy. We are unable to distinguish that case from the present. We do not think that the general words include all losses that may happen during a voyage by accident but we think the general words cover all losses incident to the navigation of a vessel during the voyage, inclusive of losses arising from negligence or improper management, because they are *ejusdem generis* with "perils of the sea." In our opinion the judgment of the Court below was right, and the appeal must be dismissed.

#### LIFE.

**FORFEITURE.**—*Knapp v. Home Life Ins. Co.; U. S. S. C.*, April, 1886.—It appeared from the evidence at the trial, that when the policy was issued plaintiff and her husband lived in New York; but three years after plaintiff separated and lived apart from her husband, and after two years of separation a premium became due and was not paid, and soon after the insured falsely represented that his wife was dead and surrendered his policy; the company believing his statement, paid him the cash value therefor; and in September of the same year (1874) he sickened and died. The net value of the policy at the time when the non-payment occurred would have been sufficient to continue it in force for a considerable time beyond the death of the husband. The lower Court (*U. S. C. C., Mass.*) ruled that the policy was forfeited, and judgment was ordered for the company. The plaintiff appealed, and the judgment of the lower Court is sustained.

**A LEGAL POINT.**—*Salentine v. Mutual Benefit Life Ins. Co.*; U. S. D. C., Wis., June 12, 1886.—Notice and proof of death of insured were received by the company. Attached to them in accordance with the requirements of the company, was a copy of the verdict found at the coroner's inquest, being to the effect that the deceased came to his death by hanging himself while laboring under a fit of insanity. The company retained the papers and wrote to the agent in Milwaukee that the directors had decided that the case came under the insane clause, and the company would pay the premiums. This notice, however, was never communicated to the beneficiary, but in a letter written the following May to the administrator of the estate, the company referred him to the agent for information with regard to such decision. On the trial it was contended that the company need make no election or option until suit. The Court so held at that time, but upon a motion for a new trial it was held that the company, having received the proofs without objection, ought to have exercised an election and made a decision within sixty days.

#### ASSESSMENT.

**CHANGE OF BENEFICIARY.**—*Presbyterian Assurance Fund v. Allen*; Ind. S. C.—A policy of insurance issued by a mutual benefit association provided that it should be paid to such person or persons as he (the insured) "may designate by will or upon the books of this corporation." The insured in his application directed that payment should be made to his two sons, but subsequently, with the consent of the company, but without the consent of the original beneficiaries, designated his wife as the beneficiary. The charter of the association provided that upon the decease of any member, the fund to which his family was entitled should be paid as designated in the application for membership, or in case that should be rendered impossible by death or otherwise, it should go in order (1) to his widow and infant children; (2) to his mother and sisters; (3) to his father and brothers; (4) to his grandchildren, and (5) his legal heirs. *Held*, That, under the

provisions mentioned, the designation of the beneficiaries in the application had so fixed their rights that another beneficiary could not be named without their consent.

#### California Supreme Court Decision.

*Chas. Hegard, Respondent, v. The California Ins. Co., Appellant.* Cal. S. C., June 29th, 1886.

**SERVING AND FILING OF NOTICE WITHIN THE STATUTORY PERIOD.**—When notice of intention to move for new trial, although served within the statutory period of ten days, was not so filed, owing to distance, it is proper for the Court to take notice of the legal distance, and it is therefore held that such notice was served and filed in time.

**PLEADING.**—The fact that the policy declared the measure of recovery for loss sustained must be in no case greater than the actual damage to or cash value of the property at the time of the fire, only established a rule as to the proof necessary to be made in order to show the damage or loss sustained, and it was unnecessary to allege matters of evidence in the pleading.

**BAR-ROOM FIXTURES.**—The term, fixture, has a well ascertained and certain meaning—as something affixed to realty. Bar-room fixtures mean fixtures in a bar-room.

The respondent Hegard makes the point that this cause should be considered here, upon the judgment-roll only, for the reason that the notice of intention to move for a new trial, on the part of the appellant, although served within the statutory period of ten days, was not so filed.

From the statement on motion for a new trial, it appears that findings were filed on the 5th day of February, 1885, that the attorneys for Hegard, at all times during the pendency of this action, resided and had their offices at Quincy Plumas County, State of California, and that the attorney for the defendant resided and had his office at San Francisco, in the same State, and there was at all times regular communication by mail between those two places.

That on the 6th day of February, 1885, one of the attorneys for the plaintiff deposited in the Postoffice at Quincy an envelope addressed to the defendant's attorney at San Francisco, California, which envelope contained two duplicate notices signed W. W. Kellogg and R. H. F. Variel, attorneys for plaintiff, to the effect that the trial court on February 5, 1885, had filed its findings and decision in favor of the plaintiff, which notices were entitled in the proper case, and the envelope also contained a note from Mr. Variel to Mr. McGraw, the defendant's attorney, requesting him to indorse service of notice of decision, and return the same to him, Variel.

That envelope and its contents were received by Mr. McGraw at San Francisco on the 10th of February, 1885, and he indorsed acknowledgment of



THIRD ANNUAL STATEMENT  
OF THE  
**Oregon Fire and Marine**  
Insurance Company, of Oregon.

*For the Year ending Dec. 31, 1885.*



**CAPITAL.**

Capital Authorized, .....	\$300,000 00
Capital Paid up in Cash, .....	\$220,100 00

**ASSETS.**

Loans on First Mortgage.....	\$194,700 00
U. S. 4 per cent. Reg. Bonds.....	59,786 56
O. R. & N. Co.'s Bonds.....	21,635 00
East Portland City Bonds.....	10,000 00
Bills Receivable.....	1,000 00
Cash in Bank.....	11,684 12
Cash in Office.....	27 71
Interest Accrued.....	4,069 30
All other Property.....	1,202 50
Premiums in course of collection and Agents' Balances.....	8,618 14
<b>TOTAL ASSETS.....</b>	<b>\$312,773 43</b>

**LIABILITIES.**

Losses in process of Adjustment.....	\$ 1,579 33
Gross Premiums on fire risks running one year or less, \$50,817.20, re-insurance, 50 per cent.....	\$ 25,408 60
Gross Premiums on fire risks running more than one year, \$10,230.55, re-insur- ance pro rata.....	5,521 90
	30,930 50
Taxes and other charges due and to become due.....	1,070 80
<b>TOTAL LIABILITIES.....</b>	<b>\$ 33,580 63</b>
Cash Capital.....	\$220,100 00
Net Surplus.....	59,092 80
Surplus as regards Policy-holders.....	\$279,192 80

**INCOME.**

Fire Premiums less cancellations and return premiums.....	\$ 71,137 99
Interest.....	20,582 21
<b>TOTAL INCOME.....</b>	<b>\$ 91,720 20</b>

**EXPENDITURES.**

Fire Losses.....	\$ 17,311 92
Re-insurance.....	13,417 34
Commission and Brokerage.....	6,878 27
Salaries.....	6,020 00
State, National and Local Taxes.....	1,979 36
Traveling expenses, advertising, rent and all other expenses.....	6,932 21
<b>TOTAL EXPENDITURES.....</b>	<b>\$ 52,539 10</b>

**PRINCIPAL OFFICE, 51 STARK ST., PORTLAND, OREGON**

<b>L. WHITE</b> .....	<i>President.</i>
<b>EDWARD HALL</b> .....	<i>Secretary.</i>

**\$50,000 DEPOSITED IN CALIFORNIA.**

**HAGAN, MANHEIM & Co.**

GENERAL AGENTS FOR CALIFORNIA.

**J. W. STAPLES, Manager.**

**O. N. HALL, Special Agent.**

**OFFICE—217 SANSOME ST., SAN FRANCISCO.**



the receipt of one of the notices as of that date, and on the 16th of the same month mailed it and a notice of intention to move for a new trial in the cause, to Mr. Variel at Quincy, Cal., prepaying the postage thereon.

That notice was in due and proper form, and specified that the motion would be made on a statement thereafter to be prepared, and would be made on the following grounds: Insufficiency of the evidence to justify the decision of the Court, and that it was against law: Error in law occurring at the trial, and excepted to by the defendant.

On said February 16th, Mr. McGraw also mailed at San Francisco a duplicate of that notice of intention to move for a new trial, together with a request to file the same, to the County Clerk at Quincy, Cal.

Mr. Variel received the notice addressed to him on the night of February 20, 1885. The County Clerk received that addressed to him on February 21, 1885, and filed it on that day. On February 24, 1885, defendant caused to be served on R. H. F. Variel, at Quincy aforesaid, by the Sheriff of Plumas county, a certified copy of the notice of intention, which the County Clerk had filed as above stated.

Mr. Kellogg was not at any time during the month of February, 1885, in Plumas county, but (as was known by the attorney for defendant) was at Sacramento, Cal., performing his duties as a member of the State Senate.

The contention of the respondent is, that as it appears from the record, that the notice of motion to move for a new trial was not filed until one day after the statutory time, the appellant cannot be heard here on its appeal from the order refusing a new trial; that there is no evidence of a proper character in the record which shows that Quincy in Plumas county is twenty-five miles or any other distance from San Francisco, and that this Court will not judicial notice of the legal distances from place to place in the State of California, as established by the Political Code in Sections 150 to 202 inclusive. In support of this proposition, the case of *Neely v. Naglee*, 23 Cal., 15, is cited. There this Court held that the statute of 1858 establishing legal distances in this State, from each county seat to the capital, lunatic asylum and State prison, had no application to the question of notice then before the Court, but referred to the amount of mileage that County Treasurers and Sheriffs might charge for certain purposes.

The sections of the Political Code (*supra*) establishing the legal distances therein set out without any qualification, and hence they are established for any and all purposes.

By Section 177 thereof, it appears that the legal distance from Quincy, the county seat of Plumas county to Sacramento, is 136 miles. By Section 182, same code, that San Francisco is 84 miles from Sacramento.

The Legislature, in fixing the boundaries of the

different counties of this State, does not locate Plumas county as touching Sacramento county at any point, nor San Francisco county as adjoining either Sacramento or Plumas county; and as geographical facts it is well known that Plumas county is in the northeastern part of this State, and that San Francisco is on the bay of that name near the Pacific Ocean, southwesterly from the former county, and that several other counties intervene between them.

And Quincy is established by law as the county seat of Plumas county, and San Francisco as that of the county of the same name, thus making those points well known geographically.

If San Francisco, in the absence of all judicial knowledge as to its geographical position, was presumed to be eighty-four miles in a direct line between Sacramento and Quincy, the first mentioned would still appear to be fifty-two miles from Quincy—which would give one day more of time in which to file the notice in question than was actually taken. It appears therefore proper that this Court should take judicial notice of those things established by law, as being such as ought to be generally known within the limits of its jurisdiction, and therefore should hold that the notice of objection to as insufficient was filed and served in time.

The action under consideration was commenced to recover for loss by fire on an insurance policy issued to Hegard by the appellant.

The plaintiff recovered a judgment for \$1,950, and from that and an order denying a new trial the defendant appealed.

In the answer it was pleaded, in bar of the plaintiff's right to recover, that the latter had overvalued the property insured and was not the sole owner of the building burned, which was a portion of such property.

Upon both of those contentions the Court found against the defendant.

The policy recites among other things that "reference is had to application and survey No. —, hereby made a part of this policy, and a warranty by the assured.

"The application and survey, if referred to in this policy, shall be considered a part of it, and a representation by the assured.

"If the assured in a written or verbal application for insurance or by survey, plan or description, makes any erroneous representations, \* \* \* or overvalues the property, \* \* \* or if the interest of the assured be any other than the entire unconditional and sole ownership of the property, and is not so expressed in the written portion of the policy; \* \* \* or if the building insured stands upon leased ground, and is not so represented to the company, and so expressed in the written portion of this policy, then in every such case this policy shall be void."

The interest of the assured in the property insured, including the building and the amount of



insurance, was described in the written portion of the policy as follows:

"\$2,000—\$1,200 on his one and one-half story frame building occupied by the assured as a saloon and chop-house, situate on the south side of Main street, in the town of Quincy, Plumas County, Cal.

"\$250—On his bar-room fixtures; \$400—On his stock of liquors and cigars; and \$150—On his stove and cooking utensils, counter, tables and chairs, all while contained in the above-described building. It is understood that the above-described building stands on leased ground."

It will be seen, therefore, that the assured did not represent himself as the owner of the land on which the building stood, and the defendant was thus informed that the plaintiff claimed the building only, and not the land.

There is some apparent conflict between the statements which the latter made in his affidavit of proof of loss, and those contained in a certain deed and agreement introduced in evidence, and his oral statement when testifying as a witness on the trial of the cause; but the Court heard his testimony, observed his manner, conduct, and method of testifying, and must have come to the conclusion that there had been no dishonest or intentional misrepresentation on his part as to his ownership of the building insured, at any time, and must have believed his statement and explanations on the point, as to how, he was really the owner of the entire building, as separate from any interest in the land on which it stood, and we cannot say that such conclusion or the finding upon this fact, in the case, was wrong.

Nor do we perceive that the trial court was not warranted from all the evidence in finding that there was no such over valuation by the plaintiff of the property insured, as would render the policy void on that account. (*Clark v. Phoenix Co.*, 36 Cal., 176; *National Bank v. Ins. Co.*, 95 U. S. Reports, 673.)

The appellant further contends that upon the judgment-roll reversible errors appear as follows: In that the complaint did not have attached thereto, as an exhibit or otherwise made a part thereof, the application for insurance, within the rule established by this Court in *Gilmore v. Lycoming Ins. Co.* (55 Cal., 124); in that the complaint contained no allegation of a loss within the policy, because, as appellant alleges, no allegation appears therein as to any value, or actual cash value of any of the property, in that no finding was made by the Court of the cash, or any other value of the building insured.

As to all those positions, thus assumed, we are of opinion, that they are not well taken.

The plaintiff, it is true, did not follow the rule of pleading as required in the case in 55 Cal. (*supra*), but the defendant in its answer set out the tenor and effect of the application, and pleaded two breaches of the contract of insurance by the assured based thereon, in bar of the plaintiff's right to recover,

and evidence upon all the issues thus raised by the pleadings was heard and passed upon by the Court as shown by the findings, and the defect in the complaint was cured by the averments of the answer. (*Pomeroy on Remedies and Remedial Rights*, Section 579).

The complaint, we think, contains all the necessary allegations, under the policy, as to value of property insured and loss occasioned by its being burned. The fact that the policy declared the measure of recovery for loss sustained must be "in no case greater than the actual damage to or cash value of the property at the time of the fire" only established a rule as to the proof necessary to be made in order to show the damage or loss sustained, and it was unnecessary to allege matters of evidence in the pleading.

In the complaint the amounts of the losses upon the various kinds of property insured were stated separately, and demand for judgment for the aggregate sum of such losses was made, and that was sufficient for the purpose of informing the defendant how much, and on what account, the plaintiff claimed to recover against it. (*Boone on Code Pleading*, Section 18.)

The Court found that the loss sustained by the plaintiff on account of the destruction of his building by fire was \$1,200, the amount it was insured for; and more, it does not seem necessary that the learned Judge should have gone further and stated the evidential fact, that its cash value when so destroyed was a certain sum. The evidence relative to the value of the building when burned was pertinent as far as it went, and tended to prove the loss as claimed, and we do not feel warranted in condemning the findings upon that matter, as not being supported by evidence. Nor do we think the Court erred in refusing to allow the defendant to prove depreciation in the value of the building, which occurred anterior to the time of its being insured.

The policy with reference to measure of recovery for loss of the building reads as follows: "The cash value of property destroyed or damaged by fire shall in no case exceed what would be the cost to the assured at the time of the fire of replacing the same; and in case of the depreciation of such property from use or otherwise, a suitable deduction from the cash cost of replacing the same shall be made to ascertain the actual cash value."

We have been cited to no case, nor have we been able to find any, after diligent search, which declares what construction shall be given to such language in its entirety as to the measure of damages. But it seems fair to conclude that the parties to the contract, when they entered into it, had in view the value of the building as it then stood, and that they did not intend to provide for any deduction for depreciation in value thereof which had occurred from the time when it was built many years before that time up to that when it was insured; it is much more reasonable and affir to all parties to construe that language (so far as it relates to the question of a suitable deduc-

tion from the cash cost of replacing the building), to mean such depreciation as might take place after the defendant insured the property; as before that time the defendant is not shown to have had any connection with the building, or interest in its preservation. This is in accordance with the general rule, that if there exists any ambiguity in a policy of insurance it should be taken most strongly against the insurers. (May on Insurance, Sections 175, 176.) And since the defendant did not avail itself of the offer made by the Court, to allow evidence to be introduced as to depreciation in value of the building, after its insurance, it is but fair to presume that none had taken place.

The plaintiff was allowed, against the objection of the defendant, to introduce in evidence, explanatory of his, and the insurance agent's understanding at the time the policy was taken out, as to what articles of property were to be insured under the head of "bar-room fixtures." We do not think that there was anything in those words of such ambiguity as to admit of parol testimony to explain what was meant by the parties to the contract in making use of them. The term, fixture, has a well ascertained and certain meaning—as something affixed to realty—and the words "bar-room" have a certain meaning, and there could be no doubt that bar-room fixtures inserted in the policy, could only be reasonably interpreted to mean fixtures in a bar-room. Hence all the evidence which was admitted to prove the loss of property, as being included in these words of the contract, which would not be held to be so included by the use of such words as ordinarily understood, and as we understand their meaning in such an instance, as above stated, should have been ruled out by the Court, and the plaintiff was not entitled to recover anything based on that evidence.

We perceive no further prejudicial error in the record, but for that heretofore indicated the judgment and order should be reversed.

WE CONCUR:

BELCHER, C. C.,  
SEARLS, C.

FOOTE, C.

BY THE COURT.

For the reasons given in the foregoing opinion, the judgment and order are reversed and cause remanded for a new trial.

A correspondent at Butte, Montana, writes that, in his opinion, the premium income of that Territory will be fully \$350,000 for 1886. As the gain in 1885 was only about \$25,000, the gain of \$85,000 or more which he predicts is not likely to be realized this year. We may reasonably expect the Montana "boys" to lower their loss ratio greatly. The companies in the aggregate made little or no money last year in Montana.

## The Connecticut Life Report.

The retiring Insurance Commissioner of Connecticut, Ephraim Williams, has just issued part second of his annual report to the General Assembly, and closes with a valedictory. Referring to the nine Connecticut and nineteen other-State life companies operating in that State, Mr. Williams says:

The assets having increased about \$29,000,000 and the liabilities about \$20,000,000, the difference is the year's addition to surplus, which amounts to nearly \$58,000,000, including \$4,215,000 of capital. This by itself is a large sum, but deducting the capital is only an eighth of the liabilities. So that it appears that all these companies combined for each dollar of present liability, have in realized assets one dollar and one-eighth. This may, at first thought, seem a narrow margin, but when it is considered that the law of mortality, upon which the premiums are based, was long since ascertained, with an exactness which observation and experience for nearly half a century have confirmed as approximately correct and trustworthy, it will be concluded that the margin is ample, provided the business be properly conducted in all its channels, and interest earnings do not fall below the rate at which premiums are computed.

### THE OUT-GO.

The munificent sum of fifty-eight million dollars was disbursed among policyholders, and nearly one-fourth of the current premium was paid out for taxes and other expenses, exclusive of stockholders' dividends. The excess of income over outgo was \$22,368,000, and accounts for so much of the (\$28,838,000) gain in assets already referred to. The balance, six and a half millions, represents the enhanced value placed upon the investments, as compared with the year before, and the advance averages four per cent. upon the entire body of stocks and bonds owned. If this gain be regarded not as a permanent improvement, but as a temporary fluctuation, liable to change its direction at any time, and therefore not to be considered as a realized profit, (and this would be the conservative view to

take of it,) the nine millions nominally added to surplus for the year would be reduced thereby to two and one-half millions.

#### INTEREST EARNINGS.

The average rate per cent. of interest received on the mean amount of assets was 5.15 against 5.05 in the preceding year. But as the mean assets may be greater or less than the lawful reserve required, the table (16) showing rate received on assets might be advantageously modified hereafter, or another table added, showing the rate computed upon the reserve at the beginning of the year, with the year's premiums added. By the mathematical theory of the business, an office must earn a certain rate of interest (usually reckoned at four per cent.) upon the reserve at the commencement of the year and the year's net premiums combined, in order to maintain solvency. The net premiums are calculated on this basis. The reserve at the beginning of 1885 (\$410,000,000), and the year's net premiums (say \$55,000,000), together make the sum of \$465,000,000. The interest on this, at four per cent., is \$18,600,000. The amount of interest actually realized was \$25,500,000, or \$6,900,000 in excess of the sum required. That rate per cent. is 5.48, or 1.48 per cent. more than the requisite rate.

#### PROGRESS OF COMPANIES.

The amount written is \$66,253,170 more than in 1884, and over \$90,000,000 more than in 1883, whilst the amount terminated by death, maturity, expiry, lapse, and other ways, increased only \$4,500,000.

The total amount at risk is very nearly \$2,000,000,000, the present value of which obligation is less than twenty-two per cent. thereof. The year's increase is \$163,000,000. The growth of the preceding year was \$115,000,000. The business will ere long assume gigantic proportions, if its progress continues as at present. In seventeen years the assets of the companies transacting life insurance in this State have grown from \$144,000,000 to \$494,000,000. The next seventeen years should about double the present sum. The surplus is now nearly three times as large as then, and so is the premium reserve.

#### Misleading Loss Ratios.

In the course of his address before the New York State Association of Supervising and Adjusting Agents last month, F. C. Moore stated that no statistics give the percentage of losses incurred to premiums earned. Only the percentage of losses incurred (or paid) to premiums received is published as the test of a company's success or misfortune. Mr. Moore says:

It will require but a moment's demonstration to show that absolutely nothing definite can be determined from such tables, which ignore the different quantities of old and new business and of annual and term policies. Let us take a supposable and simple case in point. Company A, with a business of a million dollars of one year premiums, at the end of a term of four years stops writing five year policies, of which it has taken in each of the four years five hundred thousand dollars in premiums. At the commencement of the fifth year it would have in its unearned premium fund (not taking into account the small percentages of cancellations) twelve hundred thousand dollars of unearned five year premiums. During the fifth year it would receive one million dollars from one year policies, and would earn four hundred thousand dollars of the premiums of its five year business. If the losses incurred during the year should amount to seven hundred thousand dollars, all the wisacres of the business would comment upon a loss ratio of seventy per cent. of its annual receipts, whereas its loss ratio as to earned premiums would be only fifty per cent., and it would be in an exceedingly healthy condition. On the other hand, a company just commencing a five year business might show a larger annual income and a smaller apparent percentage of loss, and yet, by all the rules of arithmetic, be actually on the road to destruction and bankruptcy at a hand gallop.

Let us take a case in point. Company B, doing a business of one million dollars annually in one year policies, commences a five year business and secures five hundred thousand dollars of premiums on this class the first year. Its premium receipts for the



year will be \$1,500,000. If its losses incurred are \$750,000, all of the aforesaid wiseacres will express themselves as satisfied with a result which shows a loss of only 50 per cent. of its receipts in premiums; whereas the portion of its premiums earned (the only portion which belongs to the company and not to its policy holders) is \$1,050,000; its losses are clearly over seventy-one per cent., and its business is an unprofitable one. And yet, in every Insurance Report and Chart throughout the country, Company A and Company B will be compared on a basis favorable to the latter and unfavorable to the former. Could there be a more stupendous farce than this column in the charts showing the percentages of incurred loss to received premiums as the true test of successful management.

An instance in point has happened within a year. A company commenced a five year dwelling and farm business in a certain State and received fifty thousand dollars in premiums on this class. Its losses were only seven thousand dollars and it was held up as an example of intelligent management and successful enterprise, whereas the portion earned of its fifty thousand dollars was only one-tenth of the amount, or five thousand dollars, and its losses, in fact, over 150 per cent. of its premiums. Making all due allowance for the well known fact that a large portion of the physically and morally bad risks of a class burn during the first year of its term, the company in question is not to be envied in its task of carrying these policies to expiration.

It may safely be assumed that if the losses on the first year on a five year business exceed 70 per cent. of the earned premium, the rate at which the business has been taken is inadequate. Some underwriters rely on the percentage of loss to the reserve for unearned premiums, or so-called re-insurance fund, of a company. It is approximately reliable only in the case of a company at least five years old and doing an even steady business, not materially increasing its term acceptances. Such a company's losses ought not to be above 75 per cent of its unearned premium fund; if they are, the reserve is not large enough.

### Tontine or Semi-Tontine Policies.

Upon this topic we quote from the Connecticut Life Report as follows: There are offices issuing special classes of policies mis-called by them Tontine or semi-Tontine, and by some others, perhaps deceived by the misnomer, mis-called gambling policies. They are, in fact, neither the one nor the other. They in no wise differ from the endowment assurance policies issued by all other companies, except in the extent of forfeiture in case of lapse. But a Tontine policy proper grants no assurance during the Tontine period, but only promises an endowment at the end of the term to the nominee, if then alive. A true Tontine policy resembles a simple endowment, where a single premium is paid in for an endowment at the close of the endowment term, payable only if the nominee be then living. If deceased within the term, there is no endowment, and no return of premium even. Now, all companies will grant simple endowments, and none of them would think of designating the transaction as gambling. Why then should the policies that cover both an endowment and an assurance for the whole term be called either Tontine or gambling contracts? All companies make the same policy contracts, the only difference being that in case of lapse, one will allow something for the surrendered policy, (generally only in reversion,) whilst the other allows nothing. The principle involved is the same. The only difference is in the extent of the forfeiture. Neither will pay the surrender value, but one gives something and the other gives nothing. As the premiums are annual, there may not be in an individual case the risk of so great loss by reason of lapse as attaches in single-premium simple endowments to the chance that the endowee may not survive the term. Moreover, if lapse occurs, the life has been insured till then, and it is only the balance of the premium, not required to pay for this insurance, that is forfeited. The forfeitures by lapse in the class where no return of premium is made will be so much fewer in number than in the other that it may be doubted whether the hardship inflicted by

the total forfeiture policy-value by lapse would *aggregate* any more, on short endowment assurance, than that sustained by reason of the partial forfeitures, supposing an equal number of members of like age in each class at the commencement.

The foregoing must not be taken to mean that either plan is superior to the other for all the insuring public. Persons dependent on daily earnings cannot afford to take risks which those not so dependent may with propriety assume. And doubtless many are induced to take out these so-called semi-Tontine policies, whose circumstances do not warrant them in running the chance of total forfeiture by reason of inability to meet and make the annual payment. But there are many others, in easy circumstances, not engaged in hazardous business pursuits, who, with a reasonable approach to certainty, will be able to pay all the installments of premiums. Which company or society would such persons most advantageously choose to become associate members of, the one where all are strongly bound to perform their agreements, or the one where any member is allowed to retire at will, with "crowns for convoy put into his purse?" A bare statement of the proposition carries the obvious reply.

The true conclusion seems to be that no single plan is adapted to all the wants and conditions of men. Like food or physic, what is good for one person may be bad for another.

#### A Threadbare Theme.

It is not the policy of the co-operative advocates to include the fees and dues, etc., as a part of the expenses of the insurance they furnish; yet these fees and dues form part of the cost, and should be added to the assessments. If we add these and incidental expenditures, the cost of the counterfeited insurance will equal the cost of the genuine article.

The value of the two kinds will not bear comparison. The co-operative insurance is forfeited by failure to pay one assessment; the old line policy is non-forfeitable. The co-operative certificate does not undertake to pay its face value; the old line pol-

icy is an agreement to pay a specified sum. If a man withdraws from the co-operative, he receives nothing for all that he has paid in. If he withdraws from an old line company, he can procure a paid-up policy, or surrender his policy for its cash value, or his insurance will be extended according to the reserve on it.

The real cost of assessment insurance is dexterously concealed by the system of fees and annual dues, and the ostensible cost is the amount of assessments. The apparent value is the amount of the alleged insurance; the real value can only be determined when the certificate matures by death. There is a possibility that the certificate will be paid in full—if the member dies soon; the probability is, that the certificate will be scaled and the heirs paid only a portion of their just dues, and this probability is based on the experience of a thousand living and dead co-operatives. These declarations cannot be gainsaid. The man who puts his faith in pass-the-hat insurance does deliberate violence to his common sense, compromises with his sense of duty, and jeopardizes the welfare of his dependents.

#### United States Branches of Foreign Marine Companies.

There are thirty-six foreign marine companies represented in San Francisco. In New York there are only eight. Including six other-State and six California companies there are forty-eight companies competing for the marine business of the Pacific Coast. In New York, with its vast shipping interests, there are only forty-three companies which transact a marine business, or five fewer than in San Francisco, even if all the fire and marine companies in New York do a marine business, which is doubtful.

The following table presents the premiums and losses during 1885 of the United States branches of foreign companies which report to the New York insurance Department. The figures of the branches of other foreign companies the reader will find in the February COAST REVIEW:

	Prema.	Losses.	Ratio.
British and Foreign, Liverpool.	\$711,800	\$266,342	37.42
General, Dresden.	51,751	15,475	29.86
Marine, London.	36,721	4,577	12.47
Sea, Liverpool.	151,015	65,703	43.51
Switzerland, Zurich.	194,790	84,005	43.13
Thames and Mersey, Liverpool.	142,233	58,533	41.15
Union, Liverpool.	301,750	195,642	64.84
Universal, London.	35,875	30,821	85.91
Totals.	\$1,625,936	\$721,099	44.35

The ratio of expenses to premiums was 18.04, leaving a balance over all expenditures of 37.61 per cent. of the premium receipts. The business transacted by the same companies in 1884 was slightly larger, with a loss ratio of 41.04 per cent.

### A Yankee Trick.

A Sydney paper says that an agent of an Australian insurance company had hired a hall, and was delivering his familiar lecture upon the duties of courtship, marriage and life assurance. He got on very well till he came to figures—the figures of his own particular company—and then up rose one in the body of the hall, and said, "I contradict all that," The agent was pleased. "I like contradiction," he said, "because I like proving myself in the right." "I say that the figures of the B. B. Society of America will beat yours." "Nonsense," says the agent. "But I will prove it." "Very good." "Will you permit me to read an extract?" "Yes." Then he pulled a long roll of paper from his pocket and began to read. And he read, and read, and the people took it all in for a while, but soon began to yawn, and then by twos and threes to depart. So it went on for an hour; and the hall being very thin, agent number one rose to protest: "It is unreasonable," he said. "You gave me permission," replied the other. "But you must stop now." "I will read till midnight, if the extract holds and the people will stay." "I'll stop it." "You can't." So, hulla-balloo and rumble-tumble on the platform. And when it was all over, there was no more desire amongst the audience for any more lectures. But the American over his Bourbon that night was heard to say, "Well, he paid for hall, lights and advertisements. I placed my figures; he didn't. As to thumps, I think they were about

even. It was good business. Yes, good business."

### The Home Benefit Association of San Francisco.

#### AN ACCIDENT CLAIMANT RECEIVES FIFTY CENTS ON THE DOLLAR.

An employee in the rolling mills connected with the Pacific Nail and Iron Works was injured about the first of last January, and was totally disabled from work for one week. He held an accident certificate in the Home Benefit Association of San Francisco, upon which he had paid all assessments and demands. This certificate entitled him to ten dollars a week if disabled by an accident. He notified the association of his disability, and after considerable correspondence was told that he must get a certificate from a physician and an acknowledgement from a notary. This he was obliged to do at his own expense. After a delay of nearly three months he received eight dollars from the association, the managers deducting two dollars for assessment levied after the accident and not due for three months from the date thereof. Deducting the \$2.50 paid to the physician, and fifty cents paid to the notary, the net proceeds of his ten-dollar claim were five dollars. These facts are vouched for by John Mulovy and James Harris, the foreman of the rolling mills.

W. J. Turner, of San Francisco, held a certificate in the Home Accident Association, which is the new accident branch of the Home Benefit Association. His certificate was a promise to pay \$25 weekly indemnity in case of disability, but when he presented a claim for eighteen days' indemnity, duly certified, the manager trumped up some trivial excuse for refusing to pay.

Discreditable as the facts are, they are of every day occurrence in the dealings of assessment accident associations. They offer accident insurance at prices below the rates established and justified by the experience of the legitimate and reliable accident companies. Unable to pay their just losses out of their receipts, after paying expenses, the assessment associations scale



claims or repudiate them outright, as the Home Benefit Association has done.

In pleasant contrast to the fraudulent practices of this association, we may cite a recent example of the good faith of one of our regular accident companies. Joseph J. Perry, a bricklayer employed in the Pacific Iron and Nail Works, suffered a painful accident while moving some machinery, a finger being caught by one of the rollers and badly crushed. He was disabled for two weeks. Fortunately he was insured in a regular, old-line accident company, and not in the Home Benefit Association. He reported his injury and the time lost, and the day after received a check for \$30 for two weeks' indemnity, according to the terms of his policy, and without any trouble or expense to him.

With these undisputed facts before anyone, there should be no hesitation in declining to insure in the Home Benefit Association. Its insurance is dear at any price.

### Co-operative Abuse of Old Line Companies

The interested advocates of assessment insurance—the officers, managers and solicitors of business and benevolent co-operatives, and their editors—are not at all scrupulous in making figures and distorting facts to the detriment of the old line life companies. If these men had a good cause, if their co-operative insurance was really what they claim for it, there would be no necessity to vilify and misrepresent the old-liners. If co-operative insurance really insured, a comparison of the cost of the two systems would alone be necessary for the promotion of the interests of these defenders and advocates of this counterfeit insurance. But the co-operative experiment is demonstrably a failure, and there is the rub. Unable to contradict the logic and the facts arrayed against them, the co-operative champions seek to bolster their failing cause by systematic and unprincipled abuse and misrepresentation. They endeavor to diminish the effect of the glaring defects and outrageous failures of assessment insurance by prejudicing the public against the legitimate article. It is,

therefore, the fashion with these co-operative gentry, to frequently "ring in the charges" about the "exorbitant commissions," "magnificent salaries," "palatial offices," "army of officials and employees," "dividends," "high expenses generally, and "a mighty reserve fund" which excites their malicious envy. These fellows "know upon which side their bread is buttered," and they never forget it when there is an occasion to coin a new lie or circulate an old one.

### Fire Insurance in New York City.

At a meeting of the New York Board of Fire Underwriters, last month, the President, H. H. Hall, delivered a very instructive address on the subject of fire insurance in New York city. Tables are given which show that while the assessed valuation of real estate in the city has more than doubled since 1867, the fire premium receipts are a third less. The premiums, less brokerage, reported for fire patrol assessment in 1867, were \$8,222,845; in 1885 they were only \$5,887,577. In the former year the assessed valuation of real estate in the city was \$555,442,062, and in the latter year it was \$1,168,443,137. These figures, are estimated to represent about sixty per cent. of the real values. The proportion of increase in mercantile values is even greater. While the fire premiums have been going down, the fire losses have been going up. The fire losses for the years 1881-1885, inclusive, were greater than for any previous five years. The shrinkage in receipts is accounted for in part by the increase of long term policies, but Mr. Hall declares that it is chiefly due to the reduction in rates and increase in commissions. It was heavy expenses, not abnormal losses, that forced thirty New York city companies to retire from business since 1873. We quote:

"The New York city companies have, as a basis expense on their New York business, tax and patrol and Board expenses of three per cent. The other-State and foreign companies five per cent. To this add office expense, which, with New York and foreign companies, ranges from twenty to sixty per cent., and we will find it is a correct state-

ment that the foreign and New York city companies have at present on the average an expense, including taxes, patrol, and office expense, of thirty-five per cent. To this we are now adding the item of brokerage, ranging from twenty-five to forty per cent. For the past three years, under the operations of the Tariff Association, we have attempted to rate certain larger establishments, and have limited the commission thereon to ten per cent. With what effect upon the aggregate income of all companies is here shown by the following: Premiums, 1883, \$5,874,008; 1885, \$5,887,577, a gain of \$13,467, showing that the reform attempted has been neutralized by the greater reduction of rate and increase in brokerage on the unrated risks."

The report of the committee since appointed has been adopted. Ten per cent. is to be the rate of commission to brokers, and the entire Metropolitan District is to be rated by the Tariff Association, with adequate penalties for the infraction of rules. The assent of all the companies and agencies is to be asked for the new compact.

### The Song of the Accepted.

Oh, I've never had the Asthma, the Cancer or the Colic,  
Or suffered Palsy, Fits, or Constipation diabolic;  
The Heart Disease that once I had, departed on my marriage,  
I can do ten miles and never dream of calling cab or carriage;  
I've had Yellow Fever, Small Pox and the Cholera also,  
And neither Gout nor Rheumatism troubles knee or toe;  
I passed the doctor like a dose of salts, I'm quite persuaded,  
I skinned the Agent ten per cent entirely unaided;  
And now I've got my Policy, I really feel extatic,  
I can't express my feelings in a manner too emphatic!  
Consumption, Cough Habitual and General Debility  
Have given me the go-by with the most extreme civility;  
I've never had Insanity, Paralysis, or Fistula,  
I'm everywhere Acclimated, from Congo to the Vistula.  
Eruptions, Skin Diseases, D. T. and Open Sores,  
I do not know the feeling of, although I'm sure they're bores;  
I never Lost my Consciousness, had Lumps of any Kind,  
Or Hemorrhoids—and so, of course, I'm easy in my mind!

For now I've got my Policy, what happens doesn't matter—

I can match Sir Joseph Porter, reeling off Gilbertine patter.

I'm Temperate in Habits, I never had the Gravel.  
My Bladder and my Kidneys do their work beyond a cavil;

I never had Dyspepsia, I never passed a Gall Stone,  
I'm never sent to Saratoga, Richfield Springs or Ballston;

For my Liver isn't torpid, so I do not need the waters,

My Pulse is Strong, and beats just Seventy-seven and three-quarters.

The Action of my Heart is Even, Uniform and Steady,

So I can Skip to Canada whenever I am Ready.

For now I've Got my Policy, and Everything in Order,

I'll take the Balance in the Bank and gaily cross the Border.

— Weekly Statement.

### A Hostile and Incompetent Critic.

The editor of the *Fraternal Index* in the *Sunday Call*—a Mr. Barnes, we think—some time ago printed an article entitled "What Does \$1,000 Guaranty Cost?" from which we make the following quotation:

"If the fraternal societies had to pay rent, commissions, magnificent salaries, build palatial offices, sustain an army of officials and employees, pay dividends equal to the amount paid for death losses, and roll up mighty reserve funds that never have been, nor ever will be, called for—then fraternal societies could not carry \$2,000 guarantee on their members for any less money than is obtained by the corporations."

This demagoguery about "magnificent salaries, palatial offices," etc., hath a familiar sound, but the payment of large dividends to policyholders is certainly a new objection to legitimate life insurance, and one doubtless worthy of the originality and actuarial ability of the co-operative editor of the *Call*. By including the dividends among the expenses, it is clear that he wishes to create the impression that these dividends are paid to stockholders and are therefore an element in the cost of old-line life insurance. Mendacity cannot be meaner, for the great volume of dividends he refers to are not only not an expense, but a saving or a contribution to policyholders, or a reduction of the cost of insurance.

The twenty-nine life companies operat-

ing in New York transact nearly all the life business of the United States. In 1885 the companies having stockholders paid \$325,530.75 on capital stock. The death losses paid aggregated \$28,194,990.00. It is certain then that Mr. Barnes did not refer to the small sum paid to stockholders. He meant the dividends paid to policyholders, and he stupidly, or with unprincipled folly, treats that great and highly creditable sum as an expense! But Mr. Barnes is wild in his figures, as usual. The dividends do not equal the death losses. The dividends to policyholders paid by the companies reporting to the New York Insurance Department were \$12,963,660, and the death payments were \$28,194,990. These dividends to policyholders represent the difference between the real and the estimated cost of insurance, and they reflect credit upon the economy of management and the selection of risks by these old-line companies. To properly describe the writer who would treat these dividends as a part of the expenses of life insurance would require too harsh an epithet.

All the business and fraternal co-operatives pay rent and salaries. The largest salaries paid by any corporation are paid by a New York co-operative, the Mutual Reserve Fund Life Association. The fraternal orders pay liberal salaries, and many of them pay large commissions to agents. Mr. Barnes doubtless makes a very handsome yearly income out of the societies with which he is connected, and whose interests he champions. The expenses of fraternal assessment insurance are pleasantly disguised as the expenses of the order, but they are nevertheless a part of the cost of the insurance. Mr. Barnes is always careful to omit any reference to lodge expenses when he figures the cost of insurance in a fraternal society.

The *Call's* co-operative editor declares that the "twentieth, thirtieth or fortieth report of some reliable company" will show that thus far, \$10 annually has been sufficient to pay for one thousand dollars insurance. This remarkable knowledge is acquired by comparing the premiums with death losses, and the "policies issued with

those paid at death and those still in force." Let us make the comparison, taking the figures of the New York Life Insurance Company. In round numbers the policyholders were 86,000. The amount paid policyholders was \$7,681,873. The policies terminated during the year, excepting those not taken, were 7,435, representing \$25,643,923, or an average of \$3,395 insurance per policy. To pay the \$7,681,873 due on these terminated policies, the 86,000 members would each have contributed \$89.32, or \$31.70 per one thousand dollar policy. What then becomes of Mr. Barnes' remarkable claim that the annual report of any of the older regular companies will show that an annual payment of \$10 is sufficient to guarantee \$1,000 at death?

It is certain that Mr. Barnes is not good authority on the subject of life insurance, regardless of his hostility to the old line companies and the bias of pecuniary interest in the prosperity of one or more hat-passers. We have convicted him of reckless misstatements and amazing ignorance of the nature of life insurance dividends.

### The Dauntless, a Pennsylvania Wildcat.

The Dauntless Mutual Fire Insurance Company of Philadelphia is soliciting business in this State, and offers the liberal commission of 25 per cent. The Secretary writes that the directors have decided to do a general business instead of a local business as heretofore. The "heretofore" means since so long ago as October 8, 1885, when the Dauntless was incorporated. The company advertises "over \$200,000 assets." Turning to the Pennsylvania Insurance Report, we find that on December 31st the Dauntless Mutual had cash assets to the amount of \$180.42, of which \$87.42 was in the company's possession, and the remainder was "premium and assessments in course of collection." The "amount of insurance effected by policies in force" was \$221,920. This sum does not represent premium notes, but it is given as an asset, and is offset by the same sum as a liability, leaving the surplus and the cash assets the same—\$180.42. The cash premium receipts were \$310.60, of



which \$193.18 went to pay "salaries, commissions and all other charges." It is not surprising, therefore, that the "directors" should decide to "do a general business" hereafter.

With these official figures before brokers and others, we presume it is unnecessary to warn them against this little Pennsylvania wildcat and its lying claim of "over \$200,000 assets."

### Comparison of American and Other Business of Foreign Fire Offices.

Following is a table of the premium receipts for 1885 of the twenty-two foreign fire offices which do a general agency business in the United States. We have divided these receipts into two columns, one giving the receipts from the United States, and the other column giving the receipts from the home business and elsewhere. The percentage of business derived from the United States is added. The reader may see at a glance the proportion the premium income of any United States branch bears to the total income. The average percentage is 40.9. The total fire premium income of the twenty-two companies for 1885 was \$59,232,401, of which \$24,229,244 came from the United States:

COMPANIES.	PREMIUM RECEIPTS.		Per ct.
	From the United States.	From elsewhere.	
British America.....	\$619,665	202,364	76.1
City of London.....	517,306	984,020	34.5
Commercial Union...	1,898,068	3,177,963	37.9
Fire Ins. Association.	760,959	780,662	49.4
Guardian.....	679,826	1,503,643	31.1
Hamburg-Bremen....	779,524	256,715	67.0
Imperial.....	1,022,651	2,969,724	25.5
Lancashire.....	1,178,144	1,828,108	39.3
Lion.....	370,075	519,083	41.5
Liv. & Lon. & Globe.	3,553,506	2,708,423	56.7
London & Lancashire	998,285	1,451,777	40.7
London Assurance...	685,280	1,892,370	26.6
N. British & Merc....	1,693,082	4,049,472	29.4
Northern.....	832,961	2,053,883	28.9
Norwich Union.....	753,123	2,234,108	25.2
Phoenix.....	1,814,705	2,704,890	40.3
Queen.....	1,266,037	1,619,713	43.9
Royal.....	2,453,217	2,373,783	49.2
Scottish Union.....	374,744	666,417	36.0
Transatlantic.....	250,704	267,660	48.3
United Fire.....	822,278	312,703	72.7
Western.....	905,101	435,677	67.5
Totals.....	\$24,229,244	\$35,003,157	40.9

### Life Business in 1885.

The following table gives the life premiums and losses, the number of policies and insurance in force, in many States, as gathered from the statements filed December 31. We are indebted to the *Weekly Underwriter*, our enterprising New York contemporary, for some of the totals.

	Premiums.	Losses.	No. Policies.	Insurance in force.
California.....	\$1,671,027	\$1,202,485	16,768	\$49,638,329
Colorado.....	401,696	74,298	3,498	11,672,798
Connecticut.....	1,553,017	1,181,462	52,302	52,621,546
Dakota.....	83,748	26,694	.....	.....
Illinois.....	4,424,933	1,742,610	59,068	137,274,961
Kansas.....	353,021	119,109	4,823	11,985,898
Kentucky.....	1,273,079	642,945	2,366	47,773,838
Maine.....	527,157	367,207	12,843	20,043,860
Missouri.....	1,286,300	758,809	17,871	48,257,045
Massachusetts.....	3,809,302	2,595,373	40,302	111,726,723
Minnesota.....	599,342	295,692	12,264	25,705,832
Michigan.....	1,775,240	887,488	.....	58,000,194
Maryland.....	1,242,314	957,983	15,730	41,187,847
New Jersey.....	1,581,994	1,199,926	24,209	53,990,668
New York.....	12,795,956	7,404,807	143,381	373,532,443
New Hampshire.....	340,019	301,271	7,756	13,272,490
Nebraska.....	291,027	71,521	5,711	13,620,752
Ohio.....	4,095,629	2,121,414	56,850	140,861,542
Pennsylvania.....	5,561,733	3,132,426	128,173	186,966,138
Rhode Island.....	548,578	417,965	10,694	20,277,552
South Carolina.....	294,562	258,975	4,870	13,734,835
Texas.....	499,738	251,671	5,083	16,692,811
Vermont.....	380,992	226,999	.....	.....
Wisconsin.....	1,293,941	734,089	25,742	50,400,495
Canada.....	4,618,978	1,955,941	90,425	149,952,713

### Twenty-Seven Years of Life Insurance.

Elsewhere we print tables giving in detail the financial condition, income, expenditures, payments to policy holders, dividends to stockholders, policies issued and in force, and amount of insurance from year to year, since 1859, of all the life companies reporting to the New York Insurance Department. The intelligent reader will find these tables very instructive. They tell of the extraordinary growth of American life insurance, and of disastrous years when commercial depression and bad management swamped many companies. These tables are highly creditable to genuine life insurance. In reading the following synopsis, the reader will bear in mind that the figures include those of the companies which failed in the dark and panicky years of the '70's.

The number of companies advanced from 14 in 1859 to 71 in 1870. That was the

mushroom period of American life insurance. Since 1883 only 29 companies have been operating in New York State. Of the 42 companies not now reporting, 19 reinsured, 13 (including 3 British) withdrew, 2 British failed, 1 did no business, and the remainder, including many which reinsured, went into a receiver's hands.

The following synopsis will be serviceable in the study of the tables:

#### RECEIPTS.

From premiums.....	\$1,490,277,866
From interest, etc.....	416,747,177
Total income.....	\$1,906,025,043

#### EXPENDITURES.

Losses, endowments, annuities.....	\$522,582,023
Surrenders.....	246,972,353
Dividends.....	288,281,809
Total to policy holders.....	\$1,047,836,185
Expenses—	
Dividends to stockholders.....	8,557,688
Taxes, commissions, salaries, etc....	303,144,580
Total expenditures.....	\$1,359,212,923

#### SUMMARY.

Excess of interest earnings over management expenses.....	\$104,044,909
Excess of funds held in trust for and amount paid to policy holders over amount received from policy holders	81,222,997

These figures virtually cover the history of American life insurance, and include the worst as well as the best experiences. Adding the present assets to the total expenditures, and subtracting the result from the total income, we have the sum of \$23,147,432 not accounted for. The showing for genuine life insurance is an excellent one, but it is greatly surpassed by the record of the living companies.

In reviewing the tables we note that the annual premium receipts have advanced from less than four million dollars to \$78,313,171. At the present rate of growth, the premium income for 1888 will exceed that of any previous year. The present surplus to policyholders (\$92,749,486) is the largest of any year. The number of policies in force is now 814,691, which was exceeded in 1873 only.

"The Fire Fiend is taking a vacation," says the *Standard*. No; he is on the Pacific Coast.

### An Incendiary Brewer.

#### THE WATCHMAN OF THE BOCA BREWERY BRIBED TO BURN IT.

On the 9th inst. Wm. Hesse, Jr., Secretary of the Boca Brewing Company, was arrested on the charge of inciting an employé to set fire to the brewery of that company at Boca, Nevada county, in this State. E. L. McLellan, the watchman, has made the following affidavit:

I had a personal interview with Wm. Hesse, Jr., by appointment, on the 3d day of July, 1886, at the Galt House in said city and county (San Francisco), in room 53, by which the said Hesse employed me to burn and destroy the buildings by fire known as the Boca Brewery, in Nevada county, California, and that it was agreed to be fired in the malt-room in said building, as being the most available place to fire and destroy the same; that the same was to be fired on Tuesday, July 6, 1886, and that he stated that the object was to obtain the insurance on said buildings, and that in consideration for said service he paid me \$100 in gold coin, then and there paid into my hands, and has agreed to pay to me the further sum of \$100 on the receipt of the news of said brewery being destroyed by fire, and the further sum of \$1,300 when the insurance money is collected by him.

The brewery is valued at \$100,000, with an insurance of \$80,000 distributed among the following companies: North German, South British & National, Commercial Union, Phoenix (London), Caledonian, American (N. J.), London & Lancashire, Manchester, Commercial (S. F.), Fire Association (Phila.), National (Ireland), Atlas, Boylston, Home & Phoenix, Imperial, London, Northern & Queen, Lion, London & Provincial, Helvetia, Oregon, Merchants (N. Y.), German (Pittsburgh), Hamburg-Magdeburg, Germania (N. Y.), Ins. Co. of North America, Pennsylvania (Phila.), Guardian, Connecticut, Howard, American Central, Hartford, Liverpool & London & Globe, and Union (S. F.). These companies promptly canceled their policies.

Hesse furnished bonds in the sum of \$5,000. Of course he denies any attempt to bribe McLellan to commit arson, but the watchman's testimony is supported by that of R. B. Hall, who brought him to San Francisco and was in an adjoining room during the interview. Hall says that he caught the drift of the conversation, which

was in regard to the situation of the buildings and the best place to start the fire. At the first interview no engagement was made, as Hesse believed he could sell the brewery; but failing to complete the sale, he returned and contracted with McLellan to set fire to the buildings for the insurance money, as stated in the foregoing affidavit.

We congratulate the interested companies on their lucky escape, and trust that the State will make an example of Hesse.

### Classification of Fire Risks and Premiums.

A series of valuable tables of the risks in force and premiums charged have been compiled by the *Weekly Underwriter* of New York. The years embraced are 1877 to 1885 inclusive. The summaries of all companies for 1877 and 1885 are:

Risks.	Premiums charged.	Rate on \$100.	Per ct. of risks to amt. in force
One year or less 1877.....	\$41,739,013	0.93	70.5
" " 1885.....	61,096,035	1.09	52.3
Two years 1877.....	313,237	0.86	0.6
" " 1885.....	814,559	0.85	0.9
Three years 1877.....	12,739,872	1.07	18.6
" " 1885.....	23,276,561	1.01	26.0
Four years 1877.....	550,765	1.07	0.8
" " 1885.....	1,033,950	0.96	1.1
Five y'rs or more 1877.....	8,969,411	1.49	9.4
" " 1885.....	26,433,904	1.25	19.7

These figures may well justify a feeling of alarm over the steady increase in the amount of long term policies written. The per cent. of five-year risks has increased from 9.4 to 19.7, or from about one-tenth to about one-fifth. The rate per \$100 has in the same time decreased from 1.49 to 1.25. The three-year risks have not gained quite so much, the percentage rising from 18.6 to 26.0. Every year shows a gain in the proportion of long-term risks written. The annual risks have fallen from 70.5 per cent of the amount in force to 52.3 per cent. At this rate of decrease, only half of the amount in force on December 31, 1886, will be annual risks.

In the writing of five-year risks the foreign companies report the lowest average rate per \$100, and an increase in the percentage to amount in force of from 10.8 to 16.2. The other-State companies have increased their percentage from 12.9 to 24.5,

and the New York companies from 6.0 to 17.9.

### Frames in Fire Limits.

The decisions of the courts against insurance companies which write frame buildings in fire limits have received another reinforcement from the Supreme Court of Texas (*Hamburg-Bremen v. Garlington*), and it has become more than ever a serious question whether insurance can be safely granted on this class of risks any longer, certainly whether it can be granted for any amount beyond the limit of the damage fixed by municipal law.

The case alluded to is briefly this: A building was damaged by fire and was repaired, and was again insured for \$3,278, after which a second fire caused a damage which \$561 would, according to the estimate, have repaired; but the city authorities refused to permit the repairs on the ground that the building was not now worth two-thirds as much as it was before the fire, and the court decided that it was a total loss. What settlement the company and the owner finally made we do not know, but the legal decision is, that a fire which burns \$561 worth of a \$3,200-building, may make a total loss under the policy; and the question for the companies to decide is whether they want to cover risks subject to such contingencies. The municipal law in this case (and the municipal law generally is about the same) is that if a wooden builden situated within the fire limits burns to the extent of one-third its value it shall not be repaired; and the city authorities in this case adjudged that, although \$561 would make the repairs, the building as it stood was nevertheless not worth two-thirds as much as it was before the fire, and so must be condemned.—*Monitor*.

It is proposed in Louisiana to require a license from every company, based on the gross annual amount of premiums carried in the State. The license varies from \$3,500 per \$1,000,000 premiums down to \$1,000 per \$30,000 or less in premiums. Every company must pay at least \$1,000 annually if the bill becomes a law.



# Statistics of American Life Insurance for Twenty-Seven Years.

The following tables show the financial condition and amount of business transacted by Life Insurance Companies reporting to the New York Insurance Department, for a period of twenty-seven years, from 1859 to 1885, inclusive. These statistics have been compiled from the official figures.

## FINANCIAL CONDITION.

NUMBER OF COMPANIES.	Year ending Dec. 31.	Capital.	Assets.	Liabilities exclusive of Capital.	Surplus as to Policy-holders.	INCOME.			EXPENDITURES.		
						Total Prem. Receipts.	Income from Investments and Miscellaneous Sources.	Total Income.	Taxes, Commissions and Other Expenses.	Total Disbursements.	
14.....	1859	\$1,575,000	\$20,636,085	\$15,464,936	\$5,071,149	\$3,970,125	\$1,240,320	\$5,230,445	\$763,297	\$2,634,143	
15.....	1860	2,121,200	24,115,687	17,159,813	6,955,874	4,770,346	1,227,798	6,998,144	744,801	2,968,996	
16.....	1861	2,118,000	26,670,397	18,278,402	8,391,995	4,913,391	1,379,025	6,292,416	792,100	3,658,481	
17.....	1862	2,310,000	30,123,332	23,791,459	6,331,873	5,742,448	1,698,043	7,440,491	871,867	3,759,153	
18.....	1863	2,653,500	37,838,190	28,656,154	9,173,036	8,103,669	2,131,017	10,024,986	1,935,011	5,764,043	
19.....	1864	3,134,200	49,027,297	34,718,231	14,309,066	13,193,974	2,981,164	16,163,138	2,299,142	7,021,049	
20.....	1865	3,498,200	64,232,123	46,341,459	17,890,674	21,688,317	3,288,703	24,887,020	4,025,619	10,595,355	
21.....	1866	4,790,600	91,587,028	65,688,523	25,998,505	25,825,006	4,550,660	40,375,666	6,770,335	17,176,606	
22.....	1867	6,377,600	125,548,951	88,597,422	36,951,529	37,853,323	6,096,851	56,431,497	9,480,443	26,325,213	
23.....	1868	8,387,768	175,262,330	135,806,958	43,164,366	67,053,355	9,546,833	77,382,158	13,789,689	40,459,091	
24.....	1869	9,876,364	229,097,425	180,932,859	48,359,739	90,258,266	11,779,685	98,507,319	17,278,678	64,471,576	
25.....	1870	10,519,484	269,120,441	221,160,702	48,006,418	90,258,266	11,779,685	105,026,148	18,349,431	73,876,840	
26.....	1871	10,898,359	302,558,199	254,551,781	48,006,418	96,102,687	20,703,346	113,490,502	20,242,707	77,536,280	
27.....	1872	9,607,416	335,168,643	288,327,107	46,841,436	96,102,687	20,703,346	117,396,502	17,008,246	81,501,446	
28.....	1873	9,313,456	360,140,684	311,550,928	48,589,756	89,104,969	22,397,718	115,730,714	15,986,881	81,292,333	
29.....	1874	7,277,000	387,281,897	328,392,552	58,889,345	89,104,969	22,397,718	108,645,184	14,988,594	79,982,466	
30.....	1875	5,746,700	407,406,333	346,279,780	60,812,029	72,756,698	24,301,879	106,558,583	13,174,419	76,618,163	
31.....	1876	5,176,500	407,406,333	346,279,780	60,812,029	72,756,698	24,301,879	106,558,583	13,174,419	76,618,163	
32.....	1877	4,860,500	396,420,691	334,816,493	61,604,098	62,933,690	23,225,454	86,192,144	13,397,565	72,138,070	
33.....	1878	4,950,500	404,079,145	339,585,697	64,493,518	57,256,335	23,225,454	80,492,909	10,992,051	73,876,840	
34.....	1879	5,102,900	428,332,871	341,702,745	69,590,610	53,798,655	23,973,348	77,403,403	11,298,133	68,858,363	
35.....	1880	5,100,500	428,332,871	355,805,939	72,527,932	53,798,655	23,973,348	77,403,403	12,953,312	66,317,839	
36.....	1881	3,650,500	429,634,655	386,997,194	72,527,932	66,379,218	23,441,265	79,830,445	13,089,414	65,484,087	
37.....	1882	3,534,087	449,602,347	372,850,956	76,751,391	66,379,218	24,565,860	85,070,134	13,398,768	71,743,588	
38.....	1883	4,290,500	471,805,920	391,507,897	80,298,093	67,322,104	25,240,644	92,562,763	15,995,264	76,567,598	
39.....	1884	4,290,500	491,487,719	409,076,528	81,811,191	72,016,204	27,013,693	105,527,864	18,759,465	86,768,398	
40.....	1885	4,296,500	623,664,678	430,915,191	92,749,486	78,513,171	27,013,693	105,527,864	19,040,797	86,487,067	
Totals, 27 years.....						\$1,490,277,866	\$415,747,177	\$1,906,025,043	\$503,144,580	\$1,359,212,923	

## PAYMENTS MADE AND POLICIES ISSUED.

NUMBER OF COMPANIES.	Year ending Dec. 31.	PAYMENTS TO POLICYHOLDERS.				Dividends to Stockholders.	POLICIES ISSUED DURING THE YEAR.		POLICIES IN FORCE AT END OF YEAR.	
		Pamets for Losses, Endow-ments and Annuities.	Payments for Lapsed,Surren-dered and Pur-chased Policies.	Dividends to Policy-holders.	Total Payments to Policy-holders.		Number.	Amount of Insurance.	Number.	Amount of Insurance.
4.....	1859	\$1,310,616	\$129,450	\$416,724	\$1,856,790	\$14,116	9,261	\$30,058,408	49,608	\$141,497,978
7.....	1860	1,360,000	243,954	497,848	2,101,802	62,353	12,639	35,589,931	56,046	163,703,455
17.....	1861	1,474,005	665,341	637,522	2,776,858	69,513	9,563	24,978,444	57,202	164,250,052
18.....	1862	1,705,610	468,235	627,574	2,801,419	85,807	17,430	43,471,429	64,252	181,992,577
22.....	1863	2,306,892	361,830	1,031,939	3,699,661	129,371	35,224	89,812,093	98,095	267,658,677
1864	30	3,136,659	407,754	1,036,912	4,581,523	141,182	59,198	155,893,897	146,729	395,703,058
1865	40	4,125,442	691,382	1,475,212	6,292,036	277,700	96,261	245,427,057	209,392	680,892,253
1866	39	6,428,472	1,226,856	2,532,477	10,187,805	218,526	134,300	404,510,474	305,390	805,105,877
1867	43	8,253,003	2,067,782	6,183,624	16,504,409	340,361	158,005	471,611,744	401,140	1,161,729,776
1868	35	11,058,686	3,762,735	11,707,663	27,529,084	640,348	231,922	579,657,371	537,594	1,828,981,685
1869	40	15,692,831	5,148,900	15,733,862	36,575,593	578,152	231,922	614,702,420	636,572	1,836,917,819
1870	11	19,522,712	9,016,988	15,869,557	44,949,257	578,152	237,180	587,803,236	747,807	2,023,884,955
1871	38	28,773,041	13,263,390	16,624,608	56,661,039	632,534	209,753	488,655,022	785,360	2,101,461,894
1872	39	25,672,380	13,922,009	20,077,909	59,672,388	528,008	201,366	489,924,857	804,144	2,114,742,591
1873	36	27,432,435	16,669,594	22,938,235	66,840,264	452,976	199,050	465,614,001	817,081	2,086,027,178
1874	40	25,797,860	22,453,555	16,617,018	64,868,833	376,619	144,783	351,803,670	799,534	1,397,236,230
1875	45	27,174,631	20,414,574	17,900,605	65,489,810	364,062	133,095	291,276,357	774,625	1,922,043,146
1876	38	25,567,850	21,354,376	16,187,128	63,109,354	334,410	99,036	232,665,489	706,179	1,735,995,190
1877	34	26,163,286	19,152,318	15,397,370	60,652,974	355,785	81,969	178,283,617	633,096	1,556,105,323
1878	34	29,153,226	17,095,994	14,637,449	60,886,669	249,550	67,040	156,501,129	612,843	1,480,921,223
1879	34	31,684,522	19,207,823	13,479,613	57,371,958	278,372	* 112,025	* 168,633,035	* 653,903	* 1,457,255,513
1880	34	30,032,174	9,923,026	13,171,992	53,127,192	339,255	* 456,965	* 235,589,538	* 860,219	* 1,524,019,743
1881	30	31,068,144	8,947,354	12,579,151	52,144,649	250,624	80,329	292,582,483	637,385	1,540,080,948
1882	30	29,826,874	9,255,077	13,555,105	62,637,036	266,500	91,945	297,517,216	601,458	1,637,448,872
1883	30	39,894,306	8,837,577	13,417,464	66,149,697	298,697	110,302	308,064,893	705,659	1,763,730,015
1884	29	35,602,544	9,503,530	13,043,498	58,149,572	329,091	127,865	321,310,170	750,713	1,870,745,521
1885	29	38,624,822	9,630,269	12,963,660	61,218,751	355,531	156,214	378,214,523	814,691	2,023,517,488
Totals for 27 years.....		\$522,582,023	\$236,972,353	\$288,261,809	\$1,047,836,185	\$8,557,088	3,465,229	\$7,838,182,487	.....	.....

\* Industrial insurance included.

### Insurance Against Collisions, and the "Negligence Clause."

We have received a copy of the new form of policy agreed upon by three of the Liverpool marine insurance companies which carries out a suggestion more than once made in the columns of the *Journal of Commerce*. It has always appeared to us a strange anomaly that underwriters could not be found disposed to cover all ordinary risks of navigation. Indemnity and protection associations have been formed to insure the one-fourth left open in collision cases and certain other losses. If it pays clubs to take outside or rejected risks there is no reason why insurance companies and private underwriting firms could not transact the same kind of business. The great body of insurers are so thoroughly conservative in their system of taking lines that it requires immense pressure to make them travel out of the old rucks. There have, however, been several departures within the last year from the hackneyed tracks, as witnessed in the willingness of the leading underwriters to issue policies covering negligence of masters, pilots and mariners. But, as we have taken occasion to point out, that innovation does not go far enough; a shipowner ought to be enabled to have all his liabilities from dangers and accidents of the seas and collision insured, but this has not been within his reach. Nautical insurance clubs become a positive necessity; but insured members are not freed from responsibility after vessels have completed their voyages. This is the drawback to this method of insuring. The three companies referred to have resolved to adhere to the following programme. The underwriters engage to indemnify the insured against

1. Any loss of life or injury to any person whomsoever, or any life salvage.

2. Any loss or damage of, or damage to any other ship or boat, or any goods, merchandise or other things whatsoever on board any ship or boat.

3. Any damage done to any harbor, dock, pier, quay, jetty, stage, buoy, telegraph cable, or other fixed or movable thing what-

soever, or to any goods or property being thereon.

4. Any loss or damage of or to any goods, merchandise, or other things whatsoever, whether on board the insured ship or not, which may arise from any unauthorized deviation of the insured ship, or from any improper navigation of that or any other ship or boat.

5. Any attempted or actual raising, removal, or destruction of the wreck of the insured ship or cargo thereof, or any neglect or failure to raise, remove, or destroy the same, but deducting the value of any salvage, wreck, or cargo which may be recovered by the insured, or which may be available for or chargeable with such claims or expenses.

6. The costs and expenses incurred by the insured in resisting any claims covered in the policy, or in any legal proceedings in relation to any such claims, provided such costs or expenses shall have been incurred with the consent, in writing, of the company.

The insurers are not to be liable for any sum under £100, nor in respect of loss or damage due to improper stowage. If the insured would be entitled, or would but for any contract or undertaking be entitled to limit his or their liability, the underwriters are not bound to protect him or them to any greater amount of the liability than such limit with proper interest and costs, but in no one case shall the underwriters be called upon to contribute, inclusive of interest and cost, more than £30 per ton on the gross tonnage of the assured ship. If the amount insured be less than that at which the ship is valued in the policy, the liability of insurers is to be limited to that proportion which the sum insured bears to the value. The companies will charge each owner a premium based on the risks. This will admit a diversity of interests. An owner may insure under all six clauses, or select any number he pleases. We find no specific mention of freight or outfit, but these matters, we suspect, are left optional with underwriters. General average is to be recovered according to foreign statement if so claimed, or in accordance with the



York-Antwerp rules. Any deviation is to be covered on the understanding that advice be given on intimation received to that effect, and premium arranged. Considering that the three-fourths collision clause did not protect owners from damage to other ships, it will be gathered from the second rule above given that the companies have gone a long way towards making indemnity perfect and what it should be in practice. An owner need not bother himself about protective policies, and the negligence clause is conceded. As the *Journal of Commerce* was the only organ of intelligence which advocated reform in the method of conducting marine insurance, we may take credit for this adoption of our views. Some little time will be necessary for gaining experience, and in the assessment of premiums to the enlarged risks. But the clubs have paved the way by the publication of percentages and averages. In fact, the whole question centers on premiums proportioned to risks, and skilful underwriters are capable of comprehending both. *Liverpool Journal of Commerce.*

### Collapse of the Anglo-American Wildcat.

The notorious Anglo-American Insurance Company of Washington, D. C., has finally "busted." The manager has run away to England, and the secretary has skipped for Australia. The assets of the defunct wildcat are precisely what they always have been—nothing. The policy-holders of the concern have thrown their money away, receiving nothing in return but a lesson on the folly of investing in cheap insurance. There are numerous claimants, who will never receive a dollar.

The Anglo-American was alleged to have been backed up by English capitalists. It claimed \$500,000 cash capital, and was so credited in the *Spectator* chart. Much of the success of the company in duping property-owners was doubtless owing to the fictitious standing given it by that publication. With the exception of the *Spectator*, every insurance journal denounced the Anglo-American as a fraud. There was no satisfactory evidence of the trustworthiness of the company, and there was abundant

circumstantial evidence that it was a swindle. We may properly add that the insurance press killed this wildcat. Without the repeated warnings of the press, the Anglo-American would have long continued its fraudulent career.

We are sorry to say that the Anglo-American has been operating on the Pacific Coast recently, and we are informed that its solicitors are still writing risks in the company and collecting premiums. The *Coast Review* did not fail in duty to the insuring public, for exposures of the wildcat character of the Anglo-American have repeatedly appeared in these columns.

### The Lion Insurance Company.

The recent visit of Manager Dornin, of the Lion, to London, was utilized to give circulation to an absurd rumor that the company contemplated withdrawal from America, and that his visit was connected with its transfer to the Imperial. Mr. Dornin desires to give emphatic denial to these reports, and the assurance that the "staying" powers of the Lion were never greater than at present. The company has recently become owner of the freehold of the elegant four story building, No. 84 Queen street, (Cheapside,) which has been entirely remodelled and refitted for the company's purposes. Mr. Dornin's letters from London and Paris have been printed for the June number of his little agency paper, "Voice of the Lion," from which we quote:

"I found The Lion in course of removal from the familiar 5 Lothbury to a new building, recently purchased by the company, No. 84 Queen street, Cheapside, and it was my privilege to see General Manager Bell and his large staff duly installed in its new home a week later. The building, four stories in height, has been entirely remodelled and refitted for the company's purposes. The Manager's office and local desks occupy the first floor and the Foreign Department, Board Room and other necessary apartments the entire second floor, the remaining floors, connected by a 'lift,' being already leased on very advantageous terms. Our agents will be gratified, as I am, with this marked evidence of the Lion's prosper-

ity, and I may say, in passing, that in my visits to other offices in London, I heard none but the most cordial expressions of confidence in the future of this vigorous company."

### P. P. C.

A California "manager," about to make a trip to Europe, sent to his agents and correspondents the conventional card with the cabalistic "P. P. C." (*pour prendre congé*) in the lower corner. One of these fell into the hands of an agent, delinquent in the matter of some uncollected premiums, and not *au fait* in the etiquette of cards. He considered it in the light of a dun, and, acknowledging receipt, explained that in due course the premium would be collected and remitted. The office was much puzzled to determine the connection between the card and the reply, until one of the wiser ones suggested that to the country agent P. P. C. meant Please Pay Coin.

### Co-Insurance.

In discussing this topic, F. C. Moore said, in his recent address on "Underwriting in the Next Decade:"

But in framing our rates with the co-insurance clause we shall need to be careful lest we make too great an allowance for it in an over-estimate of its value. I believe the more ardent exponents of co-insurance greatly over-estimate its importance. A short investigation will, I think, convince you of this. The classes on which we suffer for want of this important principle in our contracts are not, as a rule, farm buildings, dwellings and household furniture, which are as frequently over-insured as under-insured; nor stocks or merchandise, especially in brick buildings, the owners of which cannot afford to run the risk by fire of even twenty-five per cent. of value, with business done on the present system of credits and small capitals—to do so would be unjust to their creditors and unsafe for themselves; nor are mercantile brick buildings, as a rule, under-insured. The risks in which we suffer most by short insurance are public buildings, such as

court-houses, school-houses and churches, fire-proof structures of modern erection, live stock, frame rows and special hazards. If you will examine your business carefully I think that you will find that about thirty-five per cent. of your premium receipts are taken annually on dwelling and farm risks; forty per cent. on stocks of merchandise and mercantile buildings; about twenty per cent. on special hazards, including frame rows; and less than three per cent. on public buildings of the class named. To the extent that the co-insurance clause would reduce the percentage of loss as compared with the amount of the policy on this latter percentage, say twenty five per cent. of your business, and only on a small portion of the former classes, will it help you, and to no greater extent. On a large percentage of the former class we practically have the benefit of it already in a more or less full insurance. While, therefore, it is important to secure the co-insurance clause, especially on certain classes, we cannot afford to reduce our rates too liberally in consideration of it, and the underwriter who would reduce the rate on all classes twenty-five per cent. to secure it, simply does not know what he is talking about. On a large portion of three-fourths of his business he would be paying for something which he already has, and on the remaining one-fourth he would secure a reduction of loss by contribution from an average percentage of a loss of say fifty per cent. of the premium to an average of say forty-five per cent., or possibly forty per cent. It must be remembered that even with a co-insurance clause, losses would still be total in all cases of total destruction of value, and on such total losses nothing would be saved by the clause. According to these figures there would be a deduction of at the utmost say twenty per cent. of one-fourth of all our losses, or about five per cent. of the whole amount; and while every dollar of loss saved is a net dollar of profit, we should seriously miss twenty-five per cent. of our entire premium receipts in exchange for it, especially as all of the present expenses of the business, except possibly seventeen per

cent. (commission and taxes), on the one-fourth dispensed with, would have to be borne by the other three-fourths. In many localities we need the co-insurance clause without any deduction whatever in consideration of it. Our rates are already graded for partial, not total losses. While these figures do not enter into very close detail, they cannot be called rough estimates; and I think all will pronounce them approximately correct, and as over-estimating, not under estimating the value of the clause.

### The Vancouver Fire.

The town of Vancouver, in British Columbia, was destroyed by fire last month. The total loss is estimated at \$900,000, with only \$110,400 insurance, the companies having lately refused to write any risks in the town. Forest fires were burning in the vicinity for some time. The fire broke out in a livery stable, and in four hours the entire town lay in ashes. Most of the population had gone away for the day, leaving their houses and stores locked. The few remaining people were powerless, and saved only what they could carry as they ran for their lives. Several persons perished in the flames. It is probable that this disastrous fire was caused by a spark from the brush fires on the outskirts of the town. The fate of Vancouver is a sad warning to all frame villages in the great pine forests of the Pacific Northwest. Underwriters need not be reminded that all towns similarly exposed are menaced with a similar fate.

The following is a correct list of the insurance losses:

Liverpool & London & Globe.....	\$26,850
Commercial Union.....	11,250
North British & Mercantile.....	11,200
National of Ireland.....	10,300
Royal.....	7,500
London & Lancashire.....	4,500
Imperial.....	12,400
City of London.....	11,100
Etna.....	5,600
Phenix, Brooklyn.....	15,300
Hartford.....	7,400
Total.....	\$110,400

The co-operatives call it the Cust REVIEW.

### An English Company's Annual Meeting.

Whoever picks up the average English insurance journal must observe that a great deal of space is usually surrendered to long fine-print reports of annual meetings; but we venture to say that nobody on this side of the big pond ever reads one of these reports. They all are very much the same, however, if we may judge from the several that the writer bravely struggled through a few days ago. There is a plentiful sprinkling of "caps" whenever a name appears, as "F. R. S. E.," "M. D., F. R. C. P.," "K. G.," "M. P.," "K. T.," besides "Sirs," "Barts.," "Esqrs.," and "Right Honorable Lords and Earls." The chairman usually rises and says, "I have simply to say a very few words to you about this, our last year's business," and then he says a great many words, enlarging, perhaps, upon the encouraging fact that while the losses were 65 or 68 or 70 per cent. the year before, they are fully one per cent. less this year. This announcement the directors are expected to receive as satisfactory, but if any dissatisfaction is displayed, the chairman makes everything lovely by showing that the average loss of several leading companies was still greater. Occasionally when the dividends are rather light, a stockholder will arise and want to know, you know, why the managers do not reduce the commissions, and thereby increase the dividends. The chairman, with a proper air of superiority, knocks the distinguished objector silly by showing that a dozen other companies have an average higher rate of expenditure for commissions.

"Our American business" usually shows a great improvement, but if not, it serves as a convenient scapegoat for the year's ill-luck, and justifies a reasonable hope of prosperity in the future. In Australia or at home or elsewhere, the company did poorly, but the chairman makes only a brief reference to the fact, and smooths the roughness out of the admission by announcing that "our experience is not exceptional." It is human nature to bear more easily the evils that others share.



Misery loves company. If the premiums were not increased, ambition is satisfied with the statement that "we have had a safer class of business." The directors beg leave to do, or they have the pleasure in pointing out, so-and-so. They judiciously precede the announcement of small dividends, or no dividends, with the observation that fires have been painfully frequent, and hope that next year will be far better.

Mr. Somebody rises and congratulates the chairman and directors, and moves that the reports be adopted. The motion is then seconded and carried. Everybody is re-elected, or the retiring directors are complimented and the deceased directors are memorialized. Everybody is pronounced an able underwriter and an excellent business man. Votes of thanks are passed to all collectively and to everybody individually. The directors thank the chairman, and the chairman thanks the directors, and all join in cordial thanks to "our colleagues" in London, Liverpool, Glasgow, New York or somewhere else. The air is vocal with such pleasant words as "integrity," "ability," "deal," "conservatism," "energy." Another vote of thanks is taken, and all adjourn to a choice free lunch. In the background may be seen several insurance journalists, waiting for the blessed privilege of a copy of the report of the meeting, which they print for nothing.

People are more and more appreciating the worth of reliable life insurance as a provision against the unforeseen contingencies of the future. During the long protracted business depression that has crippled so many enterprises, the institution of life insurance stands firm as the hills meeting all its legitimate demands, and adding strength to strength in the face of general depression. Its enormous disbursements have carried comfort and consolation to thousands of bereaved homes, saving families from separation, providing the means of education, and thereby lifting those who might otherwise have sunk in privation and discouragement to the plain of thrift and independence.—*New Hampshire Insurance Report.*

### Foreign.

The Union Mutual of Maine has appointed Charles L. Basse superintendent of agencies for the Canadian department. Mr. Basse has been the company's manager for the province of Quebec for six years.

We erred in stating, last month, that the Union of New Zealand had discontinued its agencies in London, Auckland, Dunedin and Adelaide. We were misinformed.

The Connecticut Fire Insurance Co. is about to enter Canada.

Recently a fire in Berlin destroyed \$750,000 worth of property. It is said to have been the most destructive fire in that city for many years. The Berlin people are very uneasy over the danger which this "great fire" has disclosed. Berlin has over a million inhabitants. San Francisco, with 300,000 inhabitants, had a \$750,000 fire a short time ago, and it was regarded as a very pretty spectacle of only ordinary interest.

### Transfer of the Imperial.

Some months ago the managers of the Imperial Fire Insurance Co. of London determined to establish individual representation at all its branches, and in accordance with this new policy the company has withdrawn from the quadripartite combination represented by Robert Dickson. A Pacific department for the Imperial has been created, with George D. Dornin as resident manager. The new department, in addition to the Coast States and Territories, will also embrace Montana, Wyoming and Colorado, which territory is relinquished by Manager Osman of Chicago. The accession of the Imperial will give Manager Dornin and Assistant Manager Sexton a quartette of millionaire companies, over a large and growing field conforming to the territory already in working order for the Lion, Orient and Washington. These four representative companies, with the record already made by these gentlemen, place their agency well to the front, as regards strength and influence, on the Pacific Coast.

Mr. Dornin's recent visit to London was in response to an invitation by cable from the Imperial; and he returned on the 3d inst. with a letter of authority as resident manager of the new Pacific department, dating from September 1st.

To refresh the memory of the reader, it may be well to recite the prominent figures of the Imperial's annual statement for December 31st, 1885, to wit: Cash capital, \$3,500,000; gross fire assets, \$9,581,953; net surplus, \$3,672,327; premium income, \$3,992,375. This substantial old company was established in 1803.

### Machine Poetry.

The following excruciating rhyme was ground out by two British Columbians, after the Vancouver fire, last month. The names of these poets are prominently displayed at the head of the printed slip before us, which we print below *verbatim, et literatim, punctuatim*. The Sweet Singer of Michigan must hereafter divide her honors with the Rythmical Singers of British Columbia:

#### VANCOUVER FIRE.

[Written and composed by WEBSTER & STEHLE, Sketch Artists.]

#### Arr.—Milwaukie Fire.

It was on a Sunday afternoon,  
On the 13th day of June,  
The people they were running to and fro;  
Then the news was spread around  
That Vancouver was in flames;  
But how it started no one appeared to know;  
The men were clearing land around that fated town,  
And to watch them they had them night and day;  
But the smoke was suffocating and blinding them  
as well,  
And the fire-king could not be held at bay.

#### CHORUS.

To the creek, that was the cry,  
As the Sunnyside was gone;  
It seemed as though that cry would never cease.  
O, God, have mercy on the souls that perish in the  
flames,  
God protect and let them rest in peace.

At the St. Elmo you could see  
A poor man who lay in bed:  
They say this man was dying slow but sure—  
Consumption was the cause—  
And his life hung by a thread,  
And the flames they were rushing through his door;  
But, watch! four men are stumbling up the burn-  
ing stairs;

They reach him and lay him in a sheet,  
And then they rush through smoke and flames to  
try and save his life.

O, God, reward them for their noble deed.

#### CHORUS.

Next morning they found  
Three bodies in a well,  
There they had to await and see their fate;  
What these poor men suffered  
There's no human being can tell,  
But to escape the burning flames they were too late.  
The loss of life we'll never know, but as near as we  
can tell

Their twenty souls or more had to retire;  
So peace be to their ashes, is the best that we can  
say

For the victims of this cruel Vancouver fire.

#### CHORUS.

Now before I end my little song  
I'll try and tell to you  
The cause of this great loss of life by fire:  
The Canadian Pacific  
Are the ones we have to blame,  
For money and gold was their desire;  
Vancouver was in danger for a week or more  
From the land which they were clearing night and  
day,  
And through the fire on their land Vancouver was  
destroyed;  
So unite as one and make the railroad pay.

#### CHORUS.

### The Notorious E. D. Williams.

This life insurance leech has been shown up in the COAST REVIEW several times within the past few years, and as it is not impossible that he is now sending or will send his lying circulars to residents of the Pacific Coast, we republish the following exposé from the Cincinnati *Commercial Gazette*:

Of the very large and varied class of people interested in life insurance in this country, including several hundred thousand policy-holders, the sworn officials of all the State insurance departments, watchful editors, able actuaries and others, there seems to be but one man who is dissatisfied with the institution as a whole and with every standard company, and who alone has a mission to reform it. This is a party of melancholy mien and worn attire, named E. D. Williams, who has perhaps written more unpublished letters to newspapers, sailed into the life companies through more dingy and ungrammatical pamphlets, waited upon more a-tonished policy-holders,

brought more untenable claims for the latter and realized less for them, than any man of his size living or dead. He has been duly "passed around" by the leading journals of the country, and has been shown up by the *Commercial-Gazette*, *Chicago Tribune* and *Times*, *Indianapolis Sentinel*, *St. Louis Globe-Democrat* and *Republican*, and plenty of other standard publications East and West. After each exposure he fades awhile from view, and policy-holders vainly imagine that they are to be pestered by him no more. But as soon as he is fairly healed from the last newspaper bruising he hobbles in sight in some new quarter with the same old story of the wickedness of life insurance companies, the purity and ability of Williams and the certainty of his power to get something for nothing out of the former, if he is only paid for it. He is rather too small a gnat to call for everlasting attention from the knotty editorial club, and thus often escapes the whack that would be bestowed on larger game. But he has had his share of it all the same, and under its salutary influence has moved from point to point with more or less celerity. Davenport, Iowa, Toledo, New York, Chicago and other places have known him chiefly, to the regret of misguided policy-holders. He is the same person who once wrote to the editor of the *Chicago Times* detailing a plan whereby he claimed the life companies could be made to "come down," and who, in 1832, confessed having done so in an interview with a representative of the *Commercial-Gazette*.

His latest fulmination is a six-page circular announcing in one breath that two over-confiding policy-holders who dropped him, as they all seemed to do as soon as his methods and misrepresentations are learned, are "traitors," and that the company in which they were insured is a "robber." He is pleased neither with his temporary clients nor with the company. The former had soon learned that no life company of any standing pays the least attention to a claim made through Williams, and that every policy-holder is certain of fair and satisfactory treatment by doing business directly with the company. This circular is copyrighted, it evidently being the Wil-

liams idea that greedy journalists and others would stay up nights to filch and republish it. The burden of its whine is that two gentlemen in Toledo—Mr. Chas. Markscheffel and Mr. L. T. Thayer—found that the New York Life Insurance Company, an organization with over \$66,000,000 assets, which has been in existence upwards of forty years, and has the respect of tens of thousand of policy-holders in America and Europe, is not quite as bad an institution to have dealings with as E. D. Williams had fooled them into believing.

Not to string out a perhaps unimportant matter, or dignify this solitary "reformer" by too much honest printer's ink, extracts from letters written by the two gentlemen named will serve to show what they think both of him and of the New York Life.

Mr. Markscheffel writes to the company concerning the very matter alluded to in the Williams circular: "I would herewith state to you that I am perfectly satisfied with the settlement and express my thanks to you for your courtesy in the matter."

Mr. Thayer writes "that as for Mr. Williams I wish to say that I disclaim any responsibility for anything he may say or write concerning my policy." He tells how he was induced by the latter to believe he would not be treated fairly by the company, but that learning from a firm of reputable attorneys in Toledo, Messrs. Osborne & Smith, how he had been deluded, he dropped Williams at once and for good.

All this is but a repetition of what has occurred many times before. It is human nature to believe that somebody is trying to get the best of us, and the ablest business man in any community may thus be victimized. Of course it seems strange that anybody of intelligence should think that the life companies, with their magnificent records and high reputations should be ready to imperil their good names, and that an irresponsible nobody should be the only person in existence to have discovered the fact and make them behave themselves. But there is a percentage of credulity sometimes even in the shrewdest minds, and Williams may possibly be able to temporarily corral a few ultra-suspicious men in any



community. But his mission must yield mighty poor results. It is lean picking for him at best, for his customers are anything but adhesive and seem invariably to fall away almost before he has time to "get them on the list." The sober second thought of any ordinary sensible man is all that is needed to satisfy him that companies like the one mentioned could not march on to continued and grandly augmenting prosperity for nearly half a century if there was a scintilla of truth in the yarn of the solitary Williams.

### Contributed.

Within the past three months we have known of three losses settled at less than seventy-five per cent. of the honest liability of the companies—first, by rejecting proper claims, and next by saying: "If you don't take that, you can sue." The claimants rather than submit to the delay, the expense and the fear of losing all, accepted the amounts offered. We know of another case where the claimant responded to the "you can sue" by saying: "If this bill of mine is not paid promptly at the end of thirty days I will sue." Then came a proposition to pay with ten per cent. off for prepayment. The answer was, "I am lending money at five per cent. on call on good collaterals, but as I have not so much faith in your obligations, I will discount at the rate of six per cent." It was accepted, because the special feared exposure. Such cases do not appear in the reports to State insurance departments.—*Price Current.*

### SURRENDER VALUES.

The modern facilities for the surrender of policies undoubtedly increase the withdrawals largely, and thereby inflict a serious injury upon the remaining members of a mutual company. A substantial forfeiture in case of withdrawal, which is nothing else than non-performance of contract, is essential to the welfare of the company (which, if mutual, consists of the policyholders), and is in entire accordance with the principles of equity, as it is with the laws of the State. For the highest prosperity of, and the realization of the best

results to, the associate members, such a substantial forfeiture is absolutely indispensable, and the only question that can fairly be raised is as to its proper limit.—*Ephraim Williams.*

### SPECIAL AGENTS.

I regard the special agents of the country as the right arms of our business, potential for carrying out its reforms and for working improvements in its methods, not alone by reason of their opportunities of personal contact with the field, for purposes of inspection, cancellation and the education of local agents, but because they can do much also in the way of supplementing any inefficiency on the part of those who occupy the office chairs of their companies, who may, some of them, have no higher qualifications for their task of managing insurance companies than a capacity for lifting lumps of soft coal on the grate fire of a parlor office. I venture the prediction that the insurance presidents elected in the future will have served some portion of their lives, at least, as special agents, and that it will not be considered any disadvantage to them to have had a short experience as local agent as well. Fortunately for the business of insurance and for the country at large, whatever may have been the mistake of the past in this respect, we may safely assume that the men selected hereafter by the owners of insurance capital for the management of their companies will not be taken from among the failures of other trades. Stockholders will realize that an underwriter needs to be brought up to his business as systematically as are those of other callings. Inasmuch as he should know more or less of every other business and science, he cannot be too well educated for his task. The pathway of insurance, like that of the caravan through the desert, is strewn with the bones of those who were led by incompetent guides.—*Moore.*

### THREE AND FIVE YEAR POLICIES.

There has been much vapid nonsense written and spoken of late about three and five year policies. The question of whether

term business is less desirable than annual business, is clearly one of rate only. No intelligent man on this floor would hesitate to accept a five year risk if he could secure, cash in hand, five adequate annual premiums for it. This fact surely proves my proposition. He certainly would not overlook the obvious advantages of a term policy as compared with an annual one in the freedom from annual competition, the lower proportionate expense of writing the risk, and the greater amount in hand in case of loss. But let me go further. The same man would not hesitate to accept the "present worth" or discount of five such premiums by a deduction of, say, five per cent. for two and a half years—a rough average of the term—as compared with the interest on premiums paid annually in advance. The only trouble with term business is the proneness of underwriters to overlook the fact that a certain amount of interest is obtainable also on an annual business, and that this should be deducted from the amount of interest obtainable on a term business to properly estimate whatever advantage there may be in the latter. The rate may be an inadequate one, but the objection of an inadequate rate lies against annual policies as well as against term contracts. Do not let me be misunderstood, however. There can be no surer road to ruin than the writing of five year policies on the prevailing plan of three annual premiums for the full term, unless the annual premium be higher than it ought to be. —*Moore.*

#### CHEAP INSURANCE IN NEW YORK.

We should really like to know what the real, rock-bottom figures are for rates on buildings in New York city. Two hundred thousand dollars were placed the other day upon six stores and dwellings, and three dwellings over on the west side around 116th street, at ten cents for three years. We understand that the policies were written through an agency up town that receives forty per cent. commission from the company that granted the insurance, and that builder's risk was granted to complete said buildings without extra charge. Forty per cent. from ten cents leaves six cents;

three's into six twice—equals two cents a year for a hundred dollars insurance! We confess to an absolute failure in our search to find a proper comment on the above, and can only repose our sentiments in the expression of the fellow citizen from out of town, to wit: "Great Scott!"—*Weekly Underwriter.*

#### United Brethren Mutual Aid Society.

This is the title of a well-known Pennsylvania co-operative insurance association. It is one of the oldest in the country, having begun business in May, 1870. It may be accepted as fairly representative in ability of management and in conditions of success. It is a failure. Its career thus far has been a verification of the prophecies of life underwriters. First, prosperity, a growing membership and a moderate death rate; and then a declining membership and a rising death rate, with a disastrous ending in sight. In 1874 the society had 7,033 members with \$6,373,000 as the mean amount of insurance. The death claims paid aggregated \$75,000, making the death rate cost \$11.80 per \$1,000. The cost per \$1,000 has been advancing ever since, excepting in 1876, when it fell to \$12.40. In 1879 it was \$23.20, in 1883 it was \$34.70, and in 1885 it was \$44.49 per \$1,000 of insurance.

The membership continued to increase until 1877, reaching 14,237. Five years later it had fallen to 10,947, and on December 31, 1885, there were only 7,934 certificates in force. With a membership only a fraction larger than in 1874, the death payments are over five times as great, and the cost per \$1,000 has increased four fold. There are, besides, unpaid claims to the amount of \$99,000, not counting a resisted claim. These claims remain unpaid because the society dares not levy the assessments required. The Lebanon co-operative is in "a bad row of stumps." The collapse of the concern is a question of a few months only. In its fate, in its struggle with the inevitable, similar societies may read their own destiny. No co-operative can survive without increasing its membership.

### A Colorado Decision.

According to a decision lately rendered in the Supreme Court of Colorado, in so far as a policy-holder is concerned, a company may insure against anything unless he has reason to doubt its authority, and so far as he is concerned, the contract is binding. The Denver Insurance Company insured one McClelland against damage by hail. Its charter restricted it to insurance against fire, and the company pleaded this fact as a reason why it should not be compelled to pay. The court admitted that the question was one which had been decided both ways, and that there were sound authorities and strong reasons for denying the validity of such contracts. But it insisted that the weight of authority and weight of reasoning was in favor of sustaining the contract. The injury to public policy and to those interested in the company from sanctioning such unauthorized contracts, were outweighed by the right of an innocent policy-holder to recover for a loss for which he had paid in good faith. While the act of the company was unlawful, it was estopped by having received the benefit of the contract from setting it up. A mere refunding of premium would not put the parties in their original position, for otherwise the company could rid itself of such loss claims at a very cheap rate. The company, however, could be punished for its charter violation.—*Monitor.*

### FIRES.

The losses for June aggregate about \$550,000 on the Pacific Coast, a sum not exceeded since the Virginia City fire. We invite the attention of those who think rates are too high, including the editor of the *San Francisco Chronicle*, to this fact. The losses for May, 1882, were \$541,000. There were eleven large fires that month, including the Tombstone fire.

The Anglo-Nevada was wrongly credited, in our last issue, with a \$4,000 loss at Montesana, W. T. The company incurred no loss at that place; but the compositor very generously lifted a duplicate line from below and thrust it into the first handy place.

The fires, as reported to the COAST REVIEW, were as follows for the first six months of 1885 and 1886.

	1885	1886
January.....	\$155,218	\$104,532
February.....	131,626	93,205
March.....	159,551	78,601
April.....	136,542	380,646
May.....	192,321	233,269
June.....	228,681	545,008
Total.....	\$1,003,939	\$1,435,261

In our extra of the 20th ult., the National of Hartford was erroneously credited with \$5,000 insurance on the Heney stock.

The adjusters and appraisers are hard at work in the case of the Antisell piano factory loss. At the present writing we cannot even approximate the result of the adjustment, as the gentlemen are non-communicative. A suggestive word dropped occasionally indicates that Mr. A. was well insured and that a fair salvage may be expected. The figures given below represent the insurance, not the loss.

The Schmidt label stock loss has been adjusted at \$5,000 salvage. The machinery will also furnish a fair salvage. The Tatum & Bowen loss is still in the hands of the adjusters, with present prospects pointing to a fair salvage.

In the case of Heney & Co., furniture dealers, the figures below represent the adjusted loss. This firm claimed a \$30,000-loss, and their real loss transpires to have been only \$3,955. These many years of experience ought to have enabled them to estimate their loss with reasonable correctness. Their gross over-estimate is inexcusable. It may well serve as a text for a sermon on commercial dishonesty, or for an article on a serious element in the cost of insurance. Exorbitant claims too frequently secure excessive payments in the settlement of losses, which inevitably result in higher premiums for the entire community. Business men should uphold the insurance companies in settling claims on the basis of actual loss, and should discourage that dishonest sentiment of "anything to beat the companies."



The Fourth of July holidays passed off without any noteworthy fire in San Francisco and suburban towns.

Twenty-one grain fires are reported this month for June. The unusual number of fires in grain fields this year is doubtless owing in the main to the luxuriant growth of roadside grass resulting from the late and abundant rains. Smokers, riding by, carelessly drop a cigar stub or a burning match into the grass with little thought of a blaze and a grain field fire.

May 24, San Francisco, frame dwelling:  
Commercial, S. F. .... \$228

May 10, Sacramento, Cal., frame dwellings:  
Commercial, S. F. .... \$642

May 20, Los Gatos, Cal., frame dwelling:  
Commercial, S. F. .... \$900

April 20, San Francisco, frame dwelling and merchandise:  
Commercial, S. F. .... \$634

April 20, San Francisco, brick building:  
Commercial, S. F. .... \$2,500

May 26, Prescott, A. T., dwelling and furniture:  
Royal, Norwich Union & Lancashire. .... \$823

May 30, Sprague, W. T., frame building and furniture stock:  
Liverpool & London & Globe. .... \$417

May 23, Cuffey's Cove, merchandise and building:  
Southern California. .... \$2,914

May 25, Vallejo, Cal., bakery:  
Southern California. .... \$800

May 25, Auburn, Cal., building:  
Southern California. .... \$725

May 25, Grass Valley, Cal., barn:  
Southern California. .... \$375

June 8, Salem, Or., barn and contents:  
California. .... \$350

May 28, Wasco county, Or., frame dwelling:  
Phoenix, Brooklyn. .... \$432

June 29, Lebanon, Or., frame saw-mill:  
Home & Phoenix. .... \$3,000

June 29th, Amity, Or., frame dwelling:  
Home Mutual. .... \$200

June 8, Portland, Or., frame dwelling:  
Firemans Fund. .... \$495

May 24, San Francisco, furniture and frame dwellings:

Commercial, S. F. .... \$3,400-

June 5, Portland, Or., foundry:

Phoenix, London. .... \$150-  
New Zealand. .... 150

June 8, Portland, Or., stone building:

Imperial, London, Northern & Queen. .... \$375-

June 12, Tacoma, W. T., dwelling:

Oakland Home. .... \$810-

June 6, Clark county, W. T., dwelling:

Phoenix, London. .... \$2,550-

June 16, Tacoma, W. T., dwelling:

Connecticut. .... \$450-

June 20, near Tacoma, W. T., dwelling:

Scottish Union. .... \$1,225-

June 14, Butte, Mon., soda water works:

Scottish Union. .... \$250-

June 23, Butte, M. T., lodging house:

Hartford. .... \$1,333-

City of London. .... 540-

June 10, Miles City, M. T., dwelling:

City of London. .... \$118-

June 13, Butte, M. T., building and hides and tallow:

London & Lancashire. .... \$590-

Manchester. .... 295

Caledonian. .... 295

Etna. .... 590-

June 28, Vulture, A. T., general merchandise:

Phoenix, London. .... \$1,000-

South British & National. .... 1,800

Howard. .... 1,000-

June 24, Tucson, A. T., dwelling:

Imperial, London, Northern & Queen. .... \$600-

June 12, Montana, butcher shop:

Home Mutual. .... \$590-

June 20, Tacoma, W. T., piano:

Home & Phoenix. .... \$200-

June 2, Walla Walla Co., W. T., frame-

dwelling;

Phoenix, Brooklyn. .... \$500

June 21, Tacoma, W. T., dwelling and furniture:

Union, S. F. .... \$1,000

June 5, Walla Walla, W. T., frame build-

ings:

Washington. .... \$600-

June 20, Bisbee, A. T., merchandise:

Union of New Zealand. .... \$500

June 25, Silver Bow Co., M. T., dwelling-

California. .... \$1,00

June 21, Stockton, Cal., frame building:  
Phenix, Brooklyn.....\$231

June 19, Stanislaus county, Cal., grain in field:

Phenix, Brooklyn.....\$983  
State of Penn.....327  
Pennsylvania.....655  
American, Phila.....655  
Anglo-Nevada.....390  
Balfour, Guthrie & Co.'s Agency.....390  
Ætna.....390  
Ins. Co. of North America.....216  
Hartford.....932

Total.....\$4,938

June 13, Central Point, Cal., grain in field:

Clinton.....\$386  
Merchants, N. Y.....516  
Firemans Fund.....1,803

June 13, near Los Banos, Cal., grain in field:

Firemans Fund.....\$700

June 28, Alameda Co., Cal., grain in field:

Lion.....\$375

June 13, Merced Co., Cal., grain in field:

Howard.....\$2,998  
Home Mutual.....560

June 11, Alameda Co., Cal., grain in field:

Connecticut.....\$300

June 20, Hill's Ferry, Cal., grain in field:

Lion.....\$240

June 29, Modesto, Cal., harvester:

Manchester.....\$750  
Caledonia.....750

June 20, Alameda Co., Cal., grain in field:

Ins. Co. of North America.....\$187  
German American.....130  
North British & Mercantile.....130  
Connecticut.....189  
Lion.....740  
Orient.....350  
Washington.....382

June 26, Colusa Co., Cal., grain in field:

Ins. Co. of North America.....\$680

June 22, Tulare Co., Cal., grain in field:

Continental.....\$123  
Agricultural.....124  
Firemans, Newark.....123

June 21, Fresno Co., Cal., grain in field:

North British & Mercantile.....\$380  
German American.....285  
Orient.....220

June 12, Sacramento, Cal., frame dwelling and stable:

Liverpool & London & Globe.....\$750

June 20, Bethany, Cal., grain in field:

Firemans Fund.....\$910

June 15, Merced, Cal., general fire:

National, Ireland.....\$150  
Phenix, Brooklyn.....150  
South British & National.....163  
Niagara.....300

June 4, Howell Mountain, Cal., dwelling:

California.....\$470

June 11, Hollister, Cal., dwelling:

California.....\$736

June 19, Chico, Cal., dry goods:

Orient.....\$750  
Washington.....750  
Lion.....1500

June 2, Nevada City, Cal., barn:

Phenix, Brooklyn.....\$190

June 7, Oroville, Cal., frame dwelling:

Phenix, Brooklyn.....\$400

June 21, New Chicago, frame dwelling:

Liverpool & London & Globe.....\$600  
Connecticut.....250

June 12, Gridley, Cal., slaughter-house:

Oakland Home.....\$300

June 28, San Bernardino, Cal., brick building:

Hartford.....\$800

June 11, Los Angeles, Cal., fruits, etc.:

Oakland Home.....\$150

June 30, Sacramento, Cal., frame dwelling:

Home Mutual.....\$1,000

June 11, Carning, Cal., frame dwelling:

Liverpool & London & Globe.....\$1,400  
Connecticut.....147

June 20, Hoor's Ranch, Cal., grain in field:

Oakland Home.....\$160

June 30, Visalia, Cal., grain in field:

Firemans Fund.....\$300

June 30, Kings River, Cal., grain in field:

Firemans Fund.....\$160

June 12, Santa Cruz Co., Cal., frame dwelling:

Agricultural.....\$750

June 26, Vallejo Cal., frame dwelling:

Agricultural.....\$270

June 2, Alameda Co., Cal., frame dwelling:

Home Mutual.....\$200

June 5, Nevada City, Cal., household furniture:

Springfield.....\$500

### June 20, San Bernardino, Cal., general fire:

Home Mutual.....	\$4,500
Liverpool & London & Globe.....	1,135
Ætna.....	1,082
City of London.....	1,067
Lion.....	350
Connecticut.....	1,551
Home & Phoenix.....	3,071
Phoenix, Brooklyn.....	400
Ins. Co. of North America.....	1,415
California.....	800
Imperial, London, Northern & Queen.....	1,032
Total.....	\$16,403

### June 29, San Bernardino, Cal., merchandise:

Home Mutual.....	\$340
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### June 11, San Jose, Cal., frame grocery:

Liverpool & London & Globe.....	\$800
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### June 7, Oakland, Cal., dwelling:

Oakland Home.....	\$350
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### June 7, Los Angeles, Cal., tailoring shop:

Traders.....	\$300
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### June —, Los Angeles, Cal., produce:

Southern California.....	\$292
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### June 27, Alturas, Cal., general fire:

Firemans Fund.....	\$4,250
Providence-Washington.....	900
Liverpool & London & Globe.....	1,000
Caledonian.....	1,000
London & Lancashire.....	1,000
Manchester.....	1,000
City of London.....	950
South British & National.....	1,700
Connecticut.....	500
Security.....	500
Phoenix, London.....	1,800
British America.....	1,500
Western.....	1,500
Svea.....	500
German America.....	2,750
North British & Mercantile.....	3,150
Total.....	\$24,000

### June 28, Alameda county, Cal., barn:

South British & National.....	\$750
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### June 18, Stanislaus county, Cal., grain in field:

Anglo-Nevada.....	\$361
Ætna.....	361
Balfour, Guthrie's Agency.....	361

### June 20, San Jose, Cal., frame dwelling:

Commercial, S. F.....	\$653
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### June 20, Sonora, Cal., frame dwelling:

Commercial, S. F.....	\$158
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### June 11, Auburn, Cal., brewery:

Firemans Fund.....	\$150
Connecticut.....	150

### June 10, Chico, Cal., grand stand club house:

Phoenix & Home.....	\$3,000
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### June 27, Colma Station, dwelling and contents:

Hamburg-Bremen.....	\$1,320
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### June 26, Willows, Cal., grain in field:

Firemans Fund.....	\$340
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### June 19, Chico, Cal., brick store building:

Home & Phoenix.....	\$435
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### June 2, Golden City, Cal., dwelling:

Western, San Francisco.....	\$300
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### June 1, Fresno, Cal., frame barn:

American, Philadelphia.....	\$150
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### June —, Fresno, Cal., building, machinery, wagons:

South British & National.....	\$1,455
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### June 21, Los Angeles, Cal., grain in field:

Commercial Union.....	\$800
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### June 20, Madera, Cal., grain in field:

Firemans Fund.....	\$285
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### June 27, San Pedro, Cal., general fire:

Concordia.....	\$500
Clinton.....	500
South British & National.....	1,650
London & Lancashire.....	300
American, Philadelphia.....	1,250
Phoenix, Brooklyn.....	1,250
Western, San Francisco.....	975
National of Ireland.....	500
Atlas.....	500
Union, San Francisco.....	400
North German.....	600
Scottish Union.....	250
Southern California.....	240
National, Hartford.....	250
Total.....	\$9,160

### June 28, Antelope, Cal., grain in field:

Firemans Fund.....	\$275
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### June 21, Byron, Cal., grain in field:

Commercial Union.....	\$800
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### June 30, Sacramento, Cal., frame stable:

Liverpool & London & Globe.....	\$515
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### June 24, Sacramento, Cal., frame stable:

Liverpool & London & Globe.....	\$150
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### June 9, Skagit Co., W. T., barn:

Phoenix, Brooklyn.....	\$500
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### June 2, Red Bluff, Cal., furniture:

Union, S. F.....	\$460
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### June 5, Nevada Co., frame dwellings:

Commercial, S. F.....	\$400
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### June 15, Sacramento, Cal., frame dwellings:

Commercial, S. F.....	\$500
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June 8, San Francisco, brick building:  
Union, S. F. .... \$152

June 14, San Francisco, frame building:  
Citizens ..... \$420

June 17, San Francisco, dwellings:  
New York Underwriters ..... \$425

June 20, San Francisco, brick building:  
Transatlantic ..... \$246

June 27, Wheatland, Cal., barn and contents:  
German-American ..... \$745

June 30, Independence, Cal., general fire:  
Providence-Washington ..... \$1,000  
London & Provincial ..... 1,750  
North British & Mercantile ..... 2,500  
Home & Phoenix ..... 2,000  
German-American ..... 2,500  
Connecticut ..... 1,500  
Ins. Co. North America ..... 2,500  
Security ..... 750  
Hamburg-Bremen ..... 2,500  
Phoenix, London ..... 2,500  
British America ..... 1,500  
Hartford ..... 3,500  
National, N. Y. .... 1,000  
Firemans Fund ..... 3,000  
Teutonia ..... 800  
Citizens ..... 1,000  
Firemans, Newark ..... 1,000  
Continental ..... 1,000  
Total ..... \$32,300

June 9, San Francisco, general fire:  
New Zealand ..... \$757  
Continental ..... 1,109  
Girard ..... 218  
London & Lancashire ..... 855  
Manchester ..... 855  
Caledonian ..... 2,500  
American, Philadelphia ..... 1,017  
Phoenix, Brooklyn ..... 1,694  
Commercial Union ..... 400  
National, Ireland ..... 1,094  
Oregon ..... 305  
Imperial, London, Northern & Queen ..... 1,500  
Connecticut ..... 580  
Fire Ins. Association ..... 976  
Svea ..... 436  
North British & Mercantile ..... 285  
Hamburg-Magdeburg ..... 436  
Germania ..... 436  
Ins. Co. of North America ..... 750  
Helvetia ..... 436  
Royal, Norwich Union & Lancashire ..... 2,635  
Lion ..... 1,000  
State Investment ..... 1,636  
German-American ..... 285  
South British & National ..... 570  
London & Provincial ..... 436  
Total ..... \$23,151

June 17, San Francisco, general fire;

ANTISELL PIANO FACTORY.

London & Provincial.....	\$5,000
State Investment.....	3,000
North German.....	4,000
Connecticut.....	4,000
State Investment.....	2,500
British America.....	3,000
Phoenix, London.....	2,500
Royal, Norwich Union & Lancashire.....	8,000
Helvetia Swiss.....	10,750
Washington.....	2,500
Lion.....	1,500
Orient.....	2,500
Phoenix & Home.....	5,000
Clinton, N. Y.....	2,000
Oregon.....	2,000
German, Freeport.....	2,000
German, Pittsburg.....	2,000
Concordia.....	2,000
Merchants, N. Y.....	2,000
Union, Philadelphia.....	2,000
Merchants, N. J.....	2,000
Springfield.....	2,000
Glens Falls.....	2,000
Guardian.....	750
Anglo-Nevada.....	2,500
Fire Ins. Ass'n, London.....	2,500
Prussian National.....	2,500
Westchester.....	2,500
Guardian.....	1,750
Manchester.....	2,500
London & Lancashire.....	2,500
South British & National.....	5,000
City of London.....	3,250
Total.....	\$100,000

HENEY & CO.

Royal, Norwich Union & Lancashire.....	\$362
North German.....	181
Niagara.....	362
Glasgow & London.....	362
Ætna.....	362
St. Paul (fixtures).....	150
Continental.....	181
Prussian National.....	362
Liverpool & London & Globe.....	362
Hartford.....	362
National, Ireland.....	181
Atlas.....	181
Commercial Union.....	181
Insurance Co. of N. A.....	362
Total.....	\$3,955

HOPKINS' BUILDING.

Liverpool & London & Globe.....	\$2,500
South British & National.....	2,500
Total.....	\$5,000

June 12, San Francisco, frame building:  
New Zealand ..... \$550

June 13, San Francisco, dwelling:  
New Zealand ..... \$252

## June 20, San Francisco, general fire:

SCHMIDT LABEL &amp; LITHOGRAPHING CO.

Royal, Norwich Union & Lancashire.....	\$7,500
Home & Phoenix.....	7,500
Merchants, N. J.....	2,000
Hamburg-Bremen.....	2,500
Western, Toronto.....	2,500
British American.....	2,500
Liverpool, London & Globe.....	2,500
Ins. Co. of North America.....	2,500
Pennsylvania, Phila.....	2,500
City of London.....	2,500
South British & National.....	5,000
Hartford.....	2,500
National, N. Y.....	1,500
Svea.....	5,000
Howard.....	2,000
Niagara.....	2,500
German, Ills.....	2,000
Ætna.....	2,500
New Zealand.....	2,500
Atlas.....	3,000
Firemans Fund.....	3,000
North German.....	3,500
Boston Underwriters.....	1,500
Sun, S. F.....	1,000
Connecticut.....	4,500
National Assurance of Ireland.....	3,000
Guardian.....	2,500
Lion.....	2,000
Washington.....	2,000
Orient.....	2,000
Germania.....	2,000
Security.....	2,000
Hamburg-Magdeburg.....	2,500
Imperial, London, Northern & Queen.....	5,000
State Investment.....	2,500
Southern California.....	1,500
Anglo-Nevada.....	1,000
Westchester.....	1,500
Prussian National.....	1,500
Commercial, S. F.....	1,000
Home Mutual.....	1,500
<b>Total.....</b>	<b>\$110,000</b>

TATUM &amp; BOWEN.

Firemen's, Baltimore.....	2,500
Boatman's.....	1,500
Pennsylvania, Pittsburg.....	1,000
Teutonia.....	3,500
New Orleans Ins. Association.....	3,500
St. Paul.....	2,500
Firemen's of Newark, N. J.....	2,000
Continental.....	2,500
Citizen's.....	2,000
Boatman's.....	1,000
People's.....	1,000
Sun Fire Office.....	3,750
State Investment.....	4,500
Western, S. F.....	5,000
Pacific.....	2,250
Amazon.....	1,250
New Zealand Ins. Co.....	1,500

Svea.....	1,000
Providence-Washington.....	2,000
Phoenix, of London.....	4,000
City of London.....	4,000
Anglo-Nevada.....	1,500
Western, Toronto.....	1,500
South British & National.....	5,625
National, Ireland.....	1,000
Fire Insurance Association.....	5,000
Transatlantic.....	3,125
<b>Total.....</b>	<b>\$70,000</b>

THOMPSON BUILDING.

Commercial Union.....	\$5,000
California.....	3,750
Union of New Zealand.....	3,750
Anglo Nevada.....	1,500
South British & National.....	1,250
City of London.....	1,250
American, Philadelphia.....	3,334
Springfield.....	2,500
Phenix, Brooklyn.....	2,500
Atlas.....	3,500
Ins. Co. State of Penn.....	1,666
<b>Total.....</b>	<b>\$30,000</b>

Total Schmidt fire.....\$210,000

## June 14, Shingletown, Cal., building.

merchandise:

Royal, Norwich Union & Lancashire.....	\$1,500
Connecticut.....	2,000
Imperial, London, Northern & Queen.....	4,000
<b>Total.....</b>	<b>\$7,500</b>

## June 8, San Francisco, carpet beater:

New Zealand.....	\$1,000
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## June 1, Red Bluff, Cal., furniture:

North British & Mercantile.....	\$390
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## June 8, Santa Cruz, Cal., furniture:

North British & Mercantile.....	\$150
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## June 22, Los Angeles, Cal., nickel plate factory:

Hamburg-Magdeburg.....	\$650
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## June 24, Sutter Creek, Cal., dwelling:

Washington.....	\$150
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## June 11, San Jose, Cal., furniture:

Lion.....	\$650
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## June 10, South San Francisco, frame building:

Guardian.....	\$300
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## June 23, Los Angeles, Cal., frame building:

Lion.....	\$800
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## June 26, San Bernardino, Cal., dwelling:

Lion.....	\$500
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## June 5, Nevada City, Cal., dwelling:

Connecticut.....	\$1,000
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June 18, Tulare county, Cal., hay:	
Imperial, London, Northern & Queen.....	\$1,000
June 2, Humboldt county, Cal., barn:	
City of London.....	\$250
June 28, Alameda county, Cal., dwelling:	
City of London.....	\$650
June 4, San Francisco, frame store:	
Home Mutual.....	\$250
June 10, San Francisco, frame dwelling and furniture:	
Liverpool & London & Globe.....	\$1,475
June 26, San Francisco, frame dwellings:	
Liverpool & London & Globe.....	\$1,690
June 1, San Francisco, groceries:	
Commercial Union.....	\$600
June 4, San Francisco, frame building:	
Union of New Zealand.....	\$198
June 15, Los Angeles county, Cal., barn and hay:	
Phenix, Brooklyn.....	\$242
June 15, Stanislaus county, Cal., frame dwelling:	
Phenix, Brooklyn.....	\$775
June 28, San Bernardino, Cal., general fire:	
Fire Ins. Ass'n, London.....	\$1,000
Guardian.....	250
Lion.....	900
State Investment.....	300
June 6, Butte Co., Cal., dwelling:	
Pacific.....	\$600
June 15, Marysville, Cal., barn:	
American Central.....	\$100
June 2, Centreville, Cal., drugs:	
California.....	\$550
June 25, Merced, Cal., brick building:	
California.....	\$396
June 30, San Francisco, millinery:	
Phenix, London.....	\$333
Western, Toronto.....	167
June 1, Mohave, Cal., merchandise,	
Svea.....	\$250
June 25, San Francisco, frame building:	
Sun, S. F.....	\$375
June 12, Santa Cruz, Cal., dwelling:	
Guardian.....	\$1,422
June 7, San Jose, Cal., furniture:	
Guardian.....	\$550
June 10, San Francisco, hay barn:	
Etna.....	\$606
June 15, San Francisco, furniture:	
State Investment.....	\$350

June 22, Tulare, Cal., dwelling:	
California.....	\$600
June 24, Fresno, Cal., dwelling and stable:	
California.....	\$300
June 9, Los Angeles, Cal., tools:	
Oregon.....	\$200
June 15, Merced, Cal., general fire:	
Sun, S. E.....	\$250
Ins. Co. of North America.....	590
City of London.....	500
June 20, Merced, Cal., frame building:	
Commercial, S. F.....	\$500
Grand Total.....	\$545,008

### Personal Paragraphs.

ALFRED STILLMAN, Manager of the Pacific Union, is visiting the States.

J. A. JONES spent a couple of weeks at Monterey and Santa Cruz.

H. C. KEYES, of Keyes & Lane, Stockton, included the COAST REVIEW in his calls last month.

F. E. POTTER, of Drown & Potter, Stockton, made the acquaintance of the COAST REVIEW last week.

L. L. BROMWELL and family returned last week from a three week's visit to Soda Springs in the Sierra Nevada mountains.

Capt. A. E. MAGILL, accompanied by Vice President Washburn of the Home and Mrs. Washburn, is visiting Oregon, Washington, Idaho and Montana.

B. F. CLAYTON, formerly of San Jose, now of Clayton & Oliver, of Portland, Or., is visiting San Francisco. His firm represent several leading companies.

WM. J. DUTTON, of the Firemans Fund, has been visiting the Dutton, Carpenter & Grant ranch in Nevada State during the past three weeks. It is said that the cattle on this ranch are to be branded "F. F."

GEO. D. DORNIN returned from his London trip in time to celebrate the Fourth. While abroad, he visited Paris, spending a week in that gay capital. He also visited New York, Hartford, Chicago and other cities. His reception in London was very cordial, and he was dined and wined after the approved style, and all the sights were brought out and exhibited.



S. A. MATTISON, late of Philadelphia, now of Los Angeles, is in town, and will establish a San Francisco agency for the National Life Ins. Co. of Montpelier, Vt.

H. K. BELDEN returned last week from a two weeks trip in the Santa Cruz mountains. He reports great success in his fishing expeditions, but no substantial evidence of his veracity in that respect has reached this office.

CHARLES ALCOCK, Assistant Secretary of the Royal Insurance Co., of Liverpool, Eng., visited San Francisco last month. Mr. Alcock has been visiting South America, and will soon return to that continent via an Atlantic seaport.

### CHIPS.

—We have a few leather and paper COAST REVIEW Charts left.

—Looking for your name in the COAST REVIEW? Turn to the "Personal Paragraphs."

—The New York Legislature has appointed a commission to prepare a uniform policy for use in that State.

—Insurance is not to be frightened into silence because the *Spectator* calls it the *Leaflet*. The editors are courageous, indeed. Wait until their journal is called a *Weekly*.

—The National Life Ins. Co. has been admitted to do business in this State. S. A. Mattison is the general agent or financial manager for California and Oregon, with headquarters at Los Angeles. The National has \$3,530,658 assets, and a surplus to policyholders of \$908,350. Mr. Mattison advertises for agents elsewhere.

—We have received, with the compliments of the *Spectator* Company, a copy of the "Hand-Book of Life Insurance on the Assessment Plan." It is a useful work of two hundred pages, devoted to statistical and other information pertaining to co-operative life insurance. The space given to abstracts of assessment insurance decisions is suggestive of the litigiousness of the hat-passers. A valuable feature is the insurance laws relating to assessment insurance

—Forest fires are raging in Washington Territory, British Columbia and Michigan.

—The New England Insurance Exchange has removed the prohibition of the use of gasoline stoves.

—Griffin & Schroder, of Los Angeles, have dissolved partnership and gone out of the insurance business.

—Thomas Mitchell succeeds Hunt & Mitchell to the general agency of the Insurance Co. of North America.

—The twentieth anniversary meeting of the National Board of Fire Underwriters will be held on the 20th of this month. President Heald will deliver the annual address.

—The number of life policies in force in the regular companies in Kentucky on December 31st, was 23,726, a gain of 5,238, or about 30 per cent. The Kentuckians have had their "fill" of assessment insurance.

—A lecturer in England lately said that in India the mortality varied with different periods in a most striking manner. With many of the clans the custom existed of destroying the female children, and consequently the returns left one in doubt as to what had become of the female infants. Another curious feature was that in many cases in India females between the ages of 12 and 20 did not exist, according to the returns. This would be explained by the fact that it was an extremely improper thing for parents to have unmarried daughters over the age of 13 or 15. The result of the majority of the women in India marrying at too early an age was that an enormous number of feeble children were born. The consequence was a very high death-rate—in some instances as much as 50 per cent. higher than in other countries. Under the age of one, 28 per cent. of males, and 24 per cent. of females died, whereas, among Europeans exposed to similar climatic influences, the figures were—females, 7 per cent., and males, 8 per cent. Thus, the death-rate in India was most appalling, more than a quarter of the children dying before attaining the age of one year. The variations in the rate in India was also to be accounted for by times of famine.

—The teller of a bank at Pullman, Ill., who was a defaulter, was secured by the American Surety Co. in the sum of \$5,000. Meyer, the teller, obtained straw bail in Chicago, and the company then had the straw bailer tried and sentenced to the penitentiary one year. Meyer pleaded guilty, and "went up" for three years. Honesty is the best policy—certainly when a surety company stands ready to prod the servants of justice.

—Referring to assessment insurance companies, the Connecticut Insurance Report says: It seems clear that no good object is to be gained by permitting any office to continue in business after it ceases to pay the full sum on which the certificate-holder has been assessed. When it ceases to do this, its mission for good is ended. "Pay up or shut up," translated from the vernacular into classical legal verbiage, should become a part of the written law of this, as it is of a neighboring commonwealth.

—The new building of the New Hampshire Fire Insurance Company at Manchester is three stories in height. The ground floor is an elegant store with plate glass windows, while on the second are the company's offices, very conveniently and tastefully arranged. The structure is faced with Nova Scotia stone; is substantial, solid and fire-proof, and is situated on the west side of Elm street, nearly opposite the company's old office. As the first absolutely fire-proof building in New Hampshire, it marks the beginning of a new era in the construction of business blocks in that State.—*Standard*.

—The President and Assistant Secretary of the Anglo-American wildcat of Washington, D. C., have resigned, not being satisfied with "the looks of things." These gentlemen only recently went to Washington to examine into the affairs of the company, having previously put their faith in the sworn statements of the former officers and the *Spectator* chart. They found the manager had gone to Europe, and the secretary was about leaving for Australia. Thus endeth the career of this swindle, for it now has no officers as well as no capital. The insurance press killed it.

—Acknowledgements: Illinois Life Report Colorado Report, Kentucky Report, San Jose *Mercury* G. A. R. edition, Pennsylvania Life Report.

—The tenth assessment in the Knights of Honor this year was levied on June 1st. Of the sixty-eight deaths reported in the assessment notice, twenty-three were suicides. The society is "on the decline," as we showed in the May COAST REVIEW. Twenty-three members were convinced that they must die soon or lose their insurance, and they promptly took Father Time by the forelock and now sleep with their fathers.

—In a large printing office in Philadelphia the following instructions are posted in various parts of the building:

No smoking allowed.

Fire buckets must always be kept filled.

All rags in use on the presses must be hung up.

Rags not in use must be removed from the building daily.

All waste paper must be collected and removed before closing.

—The *Chronicle* Fire Tables for 1886 is an invaluable work of about 200 pages. As stated in the title page, it is a record of the fire losses in the United States by risks, States and causes during 1885, with exhibits of the monthly, annual and aggregate fire losses in the United States during eleven years, and much other information. The underwriting interests of the country are greatly indebted to the *Chronicle* for these yearly compilations.

—One of the provincialisms of Philadelphia, its fire insurance perpetuals, has been the subject of more or less discussion lately. Some of the outside companies, finding that they were unable to compete at term rates with the perpetuals, have proposed that these risks be rated. The subject was taken up at the recent meeting of the Tariff Association, but was dropped like a hot cake; for it was quickly recognized that the rating of perpetuals would be simply the turning of that business over to the big mutuals—the Hand-in-Hand, the Green Tree, &c.—*Insurance News*.

—Copies of the February and November numbers of the Coast Review for 1873 are badly wanted by a subscriber. Chromos will be exchanged. Don't neglect to forward these numbers, if you have them and don't want them.

—On the 5th inst., the business portion of Deming, N. M., on Gold avenue, from Spence to Pine streets, was destroyed by fire. A large number of the agencies in this city are interested. W. L. Chalmers left this city on the 9th inst., to look after the interests of the Fire Insurance Association and several other companies interested.

—It is quite common for local agents to soften down fire telegrams to their companies by giving unintentional under-estimates of the probable amount of loss. This is a source of no little embarrassment to adjusters. When the proofs go in, if the amount awarded is greater than the agent's first guess, the home offices are disappointed and the adjusters fear that they may be under suspicion of having made mistakes in values. The better way to report a loss is to use only such general terms as "small," moderate," "heavy partial," "nearly total" and "total." An over-estimate is better than an under-estimate.—*St. Louis Examiner.*

—At Trenton (N. J.), in the suit of Janeway & Co., of New Brunswick, against the Pennsylvania Railroad, in which over \$200,000 are claimed, the jury returned a verdict for the plaintiff for \$179,806.89, for loss of both property and trade. The suit was a result of the collision at New Brunswick on the morning of February 7, 1885, of an oil and a freight train. The oil took fire and a blazing stream swept down the neighboring streets. In its course it set fire to Janeway's extensive wall-paper factory, which was burned to the ground. The firm presented a claim of \$164,806.89 for actual loss by the destruction of their mill, material, machinery, etc. The balance of the \$209,890 claimed is for the estimated profits of the business last year, which the fire prevented. The main defense was that the wall paper company might have prevented at least the entire destruction of their building.

—The preliminary suit of the city of San Francisco against the foreign fire insurance companies for non-payment of the firemen's relief fund tax, in the Superior Court, has been decided for the city.

—The Equity Benefit Association is the title of a San Francisco endowment humbug that is run by the same gang who wrecked the Pacific Mutual Self-Endowment Association. It is of the same batch of rotten eggs, and will soon break.

—People will always have a poor opinion of any business that is conducted in a shiftless, reckless, slipshod, dog-eat-dog fashion. If physicians placed their services upon the auction-block, as underwriters, or rather undercutters, do during rate wars, the healing art would soon sink in tone below that of the scavenger.—*St. Louis Examiner.*

—A large steam pump has been constructed for the Underwriters' Fire Patrol by the Dow Steam Pump Works. It has been used in pumping water from basements at recent fires, and it does its work admirably well. It resembles a fire engine, and weighs about 9,000 pounds. The steam cylinder is 10 inches in diameter, with an 18 inch stroke. The capacity is 2,000 gallons per minute, or about four times the capacity of an ordinary engine throwing a stream through a 1½ inch nozzle.

—An interesting decision was that of the Iowa Supreme Court at Des Moines, June 14th, in the case of J. W. Sexton, appellant, v. The Hawkeye Ins. Co. Sexton brought an action on an insurance policy to recover for the loss of the building insured against "a high wind, cyclone or tornado." There was a clause in the policy making it forfeitable in case the house became vacant and loss ensued. The tenant moved out, leaving a few articles of household furniture behind, and while in that condition the property was destroyed by a cyclone. The case was tried in Adair county by a jury, which, under instructions of the court, rendered a verdict for the insurance company, upon which judgment was rendered and the plaintiff appealed. The Supreme Court decided for the company.



—Chas. H. Moore, recently the Insurance Commissioner of Ohio, died last month. He was one of the few able officials which State supervision of insurance has produced.

—The *Coast Review*, of San Francisco, quotes without credit from our columns (where it appeared exclusively) a recent communication on the subject of contingent commissions.—[*N. Y. Commercial Bulletin*.

The *Bulletin* is wrong. We quoted from a circular sent to us, dated May 7. We are always glad to give our amiable New York contemporary due credit.

—In his report of the work of the Inspection Bureau of the Boston Tariff Association, the Secretary says: "Besides preventing fires, we have positive information of eight fires that have been extinguished by fire pails, which were put in at the suggestion of the inspectors. Added to this, in consequence of the testimony of inspectors before the adjusting committees, there was a saving made of \$1,200 on the Chardon street fire; and a total loss at 61 and 63 Charlestown street of \$3,750 was settled for \$500. Three fires have occurred in buildings where the rates have been increased by the Tariff Association fifty per cent. because of refusal of owners or occupants to correct defects; and in each of these, I believe, the fire had its origin from causes which might readily have been prevented."

—The following table, extracted from the *Chronicle Fire Tables*, shows the percentages of incendiarism by States during 1885:

States.	Per ct.	States.	Per ct.
Alabama.....	44	Mississippi.....	47
Arkansas.....	41	Missouri.....	11
California.....	21	Nebraska.....	11
Colorado.....	56	Nevada.....	50
Connecticut.....	31	North Carolina.....	46
Delaware.....	25	New Hampshire.....	23
Florida.....	38	New Jersey.....	19
Georgia.....	51	New York.....	24
Illinois.....	21	Ohio.....	36
Indiana.....	43	Oregon.....	5
Iowa.....	46	Pennsylvania.....	42
Kansas.....	42	Rhode Island.....	23
Kentucky.....	56	South Carolina.....	44
Louisiana.....	20	Tennessee.....	40
Maine.....	25	Texas.....	48
Maryland.....	15	Vermont.....	12
Massachusetts.....	18	Virginia.....	37
Michigan.....	22	West Virginia.....	61
Minnesota.....	21	Wisconsin.....	39

Average (for the United States) for 1885, 26 per cent.

—A cutting of rates in the East, this fall, is threatened. A cutting of rates means a cutting of throats.

—The London, Northern and Queen insurance companies will continue to write a joint policy in this field, under the management of Robert Dickson.

—A policy of life insurance provided that "non-payment of a note given for a premium when due shall be an abandonment of the contract with the same effect as the non-payment of the premium for which it is given, without notice to the parties interested or tender of the note," and a note given for a premium provided that, if not paid at maturity, it should be void. The Superior Court of Kentucky held (*Deppen v. Southern Mutual Life Insurance Company*) that under these provisions the failure to pay the note at maturity was an abandonment of the contract, just as the failure to pay the premium when due would have been if no provision for an extension had been made by the execution of the note, and that it was not necessary for the company to return the note or give notice to the insured.

—Jonathan Hunt, who has been engaged in the insurance business in this city for twenty-five years, has retired from the general agency of Hunt & Mitchell. In early times he was a general agent of several companies, and later was President of the Pacific Fire Ins. Co., which retired after the Chicago fire. In the early part of 1872 a general insurance agency was established by Mr. Hunt, under the firm name of Jonathan Hunt & Son. "Co." was added to the name when Thomas Mitchell became a member of the firm. Upon the death of S. O. Hunt, the son, Hunt & Mitchell succeeded. Mr. Hunt, being in feeble health and eighty-three years old, has concluded to retire from business. The Insurance Company of North America, in accepting Mr. Hunt's resignation, bestowed upon him a liberal pension in consideration of his long and faithful services. This was a handsome thing in the company. Such acts of generosity are very exceptional in the dealings of American corporations with their old servants.

—The San Francisco office of the Southern California Insurance Co. of Los Angeles, has been removed to 405 California street, in the Fireman's Fund building. They take into their office the city agency of the Royal, Norwich Union and Lancashire.

—We print elsewhere the decision of the Supreme Court in the case of *Hegard v. The California Insurance Co.* Attorney McGraw has presented for the appellant company a petition for hearing in banc. The commissioners construed the policy as a valued one, the value being fixed at the price of a new building. Their construction made the company responsible, not only for loss by fire, but for the ravages of time or damages by the violence of man or the convulsions of nature. The language of the policy was clear enough, however, the agreement being that "in case of the depreciation of such property, from use or otherwise, a suitable deduction from the cash cost of replacing the same shall be made, to ascertain the actual cash value."

—The Supreme Court at Columbus, Ohio, on the 25th ult., granted the application of the Fire Association of Philadelphia and six other foreign companies of different states for a writ of mandamus against the Superintendent of Insurance, ordering him to receive, as full settlement of their 3 per cent. state tax of 1885, the difference between the amount they paid as taxes in counties and the amount of the 3 per cent. tax. Under the reciprocal law of 1882, the foreign insurance companies pay the same tax in Ohio that Ohio companies pay in other states. Ohio pays 3 per cent. in Pennsylvania and some of the other states, and by the law of 1859, all outside companies doing business in Ohio are taxed on their gross receipts of business in the several counties of the state. This amounts to about  $2\frac{1}{2}$  per cent. of the gross receipts. The foreign companies to the suit which was just decided claim that the  $2\frac{1}{2}$  per cent. includes the county tax. The decision is that the county tax is part payment of the state tax, and the companies can turn in the receipts which they have received from the county treasurers showing that the amount named on the face has been paid.

—The burning of a barn near Nevada City is attributed to the spontaneous combustion of green or wet hay. As the barn was not insured, the theory of spontaneous combustion may be accepted without undue skepticism.

—James Nimmo, who was temporarily associated with C. R. Wilson, alias the notorious Caverly, in the publication of the *Index* in London, will at once bring a libel suit against that disreputable person. While Nimmo was at sea, bound for New York, Caverly issued a libelous circular directed against him, and supplemented it with a filthy screed in the *Index*.

—San Francisco was as lucky as usual in escaping serious losses from the explosion of fireworks on the Fourth and preceding and following days. From July 2d to July 6th there were forty-four small fires from fireworks, with nominal damages aggregating perhaps \$1,000. Other coast towns were less fortunate. San Jose had a \$10,000 fire, Chico a \$2,000 fire, and San Luis Obispo a \$19,000 fire, all resulting from our barbarous "Heathen Chinese" method of celebrating the national birthday. There were other smaller fires elsewhere from the same cause.

—The *Chronicle* says that a contingent commission appears to have served as a constant temptation to Dimick, the Bufalo marine agent, to cheat the other companies in his agency for the benefit of the Continental, which paid him best in the contingent way. Our contemporary imposes an unjust burden on contingent commissions. Dimick's temptation to favor the Continental, in his original method of distributing losses, arose from the fact that he was the sole agent of that company, and only a partner in the agency of the other companies. All the companies paid a commission contingent on profits, but Dimick, by giving the losses to the Thames and Mersey, the Union, and the State of Penn., and the profits to the Continental, deprived his partner of a contingent commission and largely increased his own. We see nothing in this famous case that may be properly urged against the principle of a uniform contingent commission.

—The American Fire, of Philadelphia, has increased its capital stock from \$400,000 to \$500,000.

—According to the *Standard Boston Insurance Directory*, the fire premiums from the Boston business in 1885 aggregated \$2,161,481. The foreign companies did one-third of this business. Boston is considerably larger than San Francisco, but its fire premium receipts are but a fraction larger.

—Nearly all the life companies doing business in Massachusetts have signed an agreement not to allow agents the rebate they may give to the insured. This is the work of the Boston Life Underwriters' Association.

—The Sun Mutual Insurance Co., the leading New Orleans company, has been admitted to do business in New York, a fact that gives the company additional claims upon the favorable consideration of the business world, which recognizes the strictness of an examination by the Insurance Department of the Empire State. The Sun Mutual—by the way, it is mutual in name only—has \$979,410 cash assets, a net surplus of \$271,000, a paid up capital of \$500,000, and a surplus to policy holders of \$771,000. This excellent New Orleans company is represented in this field by Joseph C. Jennings & Co.

—The Boylston of Boston has dropped the superfluous and meaningless "Mutual" from its corporate name, the legislature having graciously said "aye."

—A correspondent writes us from Tacoma, W. T., that the policy-holders of the wildcat Puget Sound Fire Insurance Co., will get nothing. The company is in the hands of a receiver, and the receiver has nothing on hand.

—The W. H. Burr Publishing Co., of Detroit, Mich., have issued a pocket chart of co-operative life insurance associations. The income and expenditures are given for two years. It is a useful little work. Price, 25 cents.

Experienced, Successful Life Insurance Men wanted to sell Installment Bonds of the National Life Ins. Co. of Montpelier, Vt., in San Francisco and every city and town of importance in California, and Oregon. Address me for three days, Palace Hotel, San Francisco. After that, Room 23, Schumaker Block, Los Angeles, California. Circulars explanatory of the plan will be sent on application for them.

S. A. MATTISON,  
*Financial Manager for  
California and Oregon.*

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 OF HARTFORD, CONN.

<b>CASH CAPITAL</b> .....	<b>\$600,000 00</b>
<b>Assets January 1st, 1886</b> .....	<b>8,417,038 21</b>
<b>Liabilities</b> .....	<b>6,321,199 35</b>
<b>Surplus</b> .....	<b>\$2,095,833 86</b>

This Company has **A NEW LIFE POLICY** which is the most liberal in the market and has covered over ONE MILLION DOLLARS per month in new business since Dec. 1st last. Its policies, both Life and Accident, are non-forfeitable and world-wide. It paid during 1885 \$885,012.34 under its accident policies, and over \$379,000.00 under its life policies, and *pay all claims immediately without discount.*

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**The Northwestern Mutual Life Ins. Co.**

**OF MILWAUKEE, WIS**

<b>ASSETS, January 1, 1886</b> .....	<b>\$24,265,257 00</b>
<b>LIABILITIES, January 1, 1886</b> .....	<b>18,747,929 00</b>
<b>SURPLUS, 4 per cent.</b> .....	<b>\$5,517,328 00</b>
Since its organization the Company has paid to the representatives of its deceased policy-holders for death losses.....	
<b>And to its living policy-holders for Dividends, Matured Endowments, Surrendered and Lapsed Policies</b> .....	<b>\$13,282,000 00</b>
<b>Total</b> .....	<b>\$36,772,337 00</b>
<b>Add present Assets</b> .....	<b>24,265,257 00</b>
<b>Amount paid to policy-holders and held for them</b> .....	<b>\$61,037,594 00</b>
<b>Total Premiums received</b> .....	<b>52,422,966 00</b>
<b>Excess of Assets and Payments to Policyholders over Premium Receipts</b> .....	<b>\$8,614,628 00</b>

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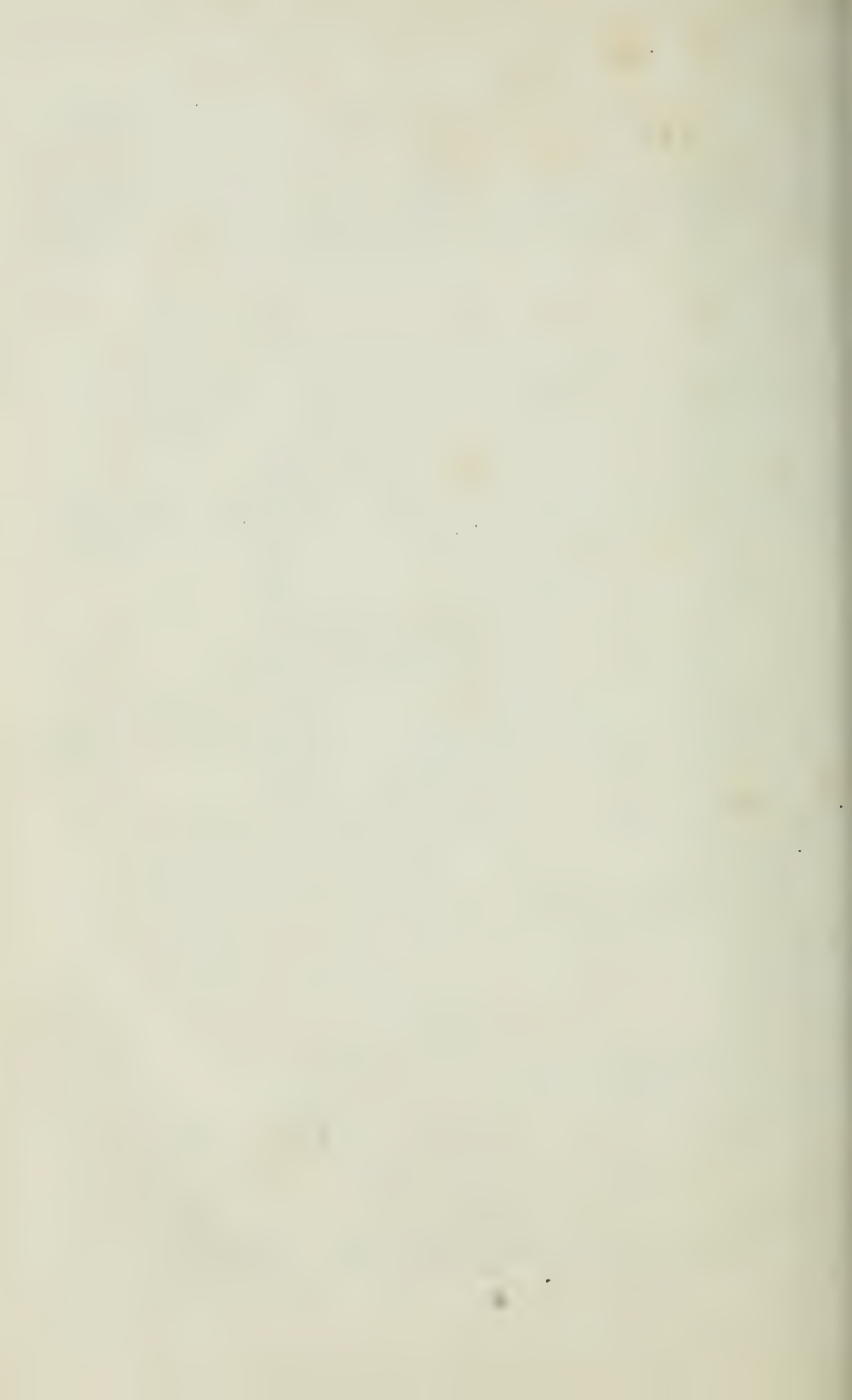
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# THE COAST REVIEW

A MONTHLY JOURNAL

DEVOTED TO

FIRE, MARINE, LIFE AND ACCIDENT INSURANCE.

J. G. EDWARDS, PROPRIETOR,

320 Sansome St. (Room 13), San Francisco, Cal.

(Take the Elevator.)

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## PUBLISHER'S NOTICE.

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Correspondence invited. Write on one side of paper only. Be specially careful with names and dates.

Our readers are requested to send us court decisions and newspaper clippings relating to underwriting interests.

Communications, new advertisements and changes in old advertisements should be handed in before the 1st of the month, or as soon after the 1st as possible.

The COAST REVIEW will be mailed about the 8th of the month.

Advertising rates made known on application.

## President Heald's Address.

The twentieth anniversary of the National Board of Fire Underwriters was duly observed in New York on the 20th ult. About one hundred representative underwriters were present, and listened to the able address of the President, D. A. Heald. This address was a review of the history of the National Board and fire insurance in the United States since 1860, and includes numerous interesting and valuable tables. We print extracts as follows, for the benefit of numerous readers, who depend upon the COAST REVIEW for all their insurance pabulum:

### THE NATIONAL BOARD.

The Convention, which formed the National Board, met in New York on July 18 and 19, 1866. Mr. Mark Howard, of Hartford, Conn., was chosen Chairman, and Mr. J. M. Rankin, of New York, Secretary. Seventy-five companies were represented. It will be noticed that between the issue of the call and the holding of the Convention, the Portland fire occurred, namely, on the 4th of July, 1866, a circumstance which emphasized the need of a union among companies to place the business upon a better footing.

Of the seventy-five delegates who were

present at the meeting, twenty-eight are now dead, sixteen have retired from the business, and nineteen still remain officers of fire insurance companies, twelve are no longer officers of companies, although still in the business as agents or brokers. The capital of the seventy-five companies represented at the meeting, amounted to \$24,513,000, with \$39,812,911 of assets. Forty-five of the companies have since failed or retired from business. Their capital December 31, 1865, was \$14,609,100; assets, \$20,935,657; but taking the figures of their last annual report before retiring, these amounts would be—capital, \$15,383,360; assets, \$25,220,394. That is to say, that 62 per cent. of the entire capital, and 63 per cent. of the assets of all the companies represented at that meeting, was either lost outright in the business, or withdrawn from it because of its unprofitableness.

It is a remarkable fact that of these forty-five companies, only two belonged to the National Board when they retired from business, if we except, perhaps, a half dozen which were members at the time of their being overwhelmed by the Chicago or Boston fires. Taking, however, the thirty companies represented at that meeting, which still survive, and nearly all of which have remained true to sound principles, we find a very different showing. Their capital in 1865 was \$9,904,000, and assets \$18,877,254. From the reports of these same companies to the State Departments for the year ending December 31, 1885, we ascertain their capital to be \$15,404,010, assets \$54,579,725; thus by their conservative course not only being enabled to pass successfully through the most trying ordeals known in fire insurance history, and to provide perfect indemnity to their policyholders for the entire twenty years, but also actually to increase their capital 55½ per cent. and their assets 189 per cent. within that period.

#### LOCAL BOARDS.

Local boards, except at the great commercial centers, are also for the most part now acting under the instructions of the several State associations or their authorized committees. The growth in the number of local boards, and especially the increase in the

number of places rated since the date of my last address, are very gratifying. A careful estimate made after correspondence with the several associations which have been active in this work, shows, that taking the entire country over, there are now in existence 1,847 local boards, and 6099 places rated. A number of places are working under the so-called compact or stamp system, which has been found effective in preventing many of the irregularities that so readily creep into the local board system when left to itself. It will be thus seen that by means of the instrumentalities here mentioned, the question of rates is well in hand.

#### COMMISSIONS.

In this brief sketch it has been impossible to indicate the careful consideration, and often prolonged discussions bestowed upon this subject. Enough has been noted to show that at no time have the members of the Board underestimated its importance as representing one of the most important factors with which they have to deal, and the companies which have remained in fellowship with us may feel a just pride in the fact that during all these latter years of demoralization, the National Board has stood constantly upon that simple business-like proposition that the rate of commissions to agents could not safely go beyond the 15 per cent. limit; not only binding its members to it, but endeavoring at several critical periods in underwriting, by all the means within its power, to establish a lower basis. The item of commissions in the expense account is one which has been growing during the entire period of twenty-five years over which our tables reach, until it is now more than half of the amount of all other expenses.

The following is a resume of the exhibit of Table X, which is made up from the sworn statements of companies to the New York Insurance Department:

#### SUMMARY OF TABLE X.

Years, Inclusive.	Premiums, including Interest.	Commissions, as Reported to State Insurance Department.	Ratio.
1860-65 . . . .	\$109,332,842	\$10,317,871	9 44
1866-70 . . . .	227,458,782	27,795,637	12 22
1871-76 . . . .	305,599,647	43,000,174	14 07
1870-80 . . . .	277,920,817	43,892,349	15 79
1880-85 . . . .	390,411,311	67,829,016	17 37
Totals . . . .	\$1,310,723,399	\$192,835,077	14 71

## INCENDIARY CONVICTIONS.

A table is given of the disposition of the arson fiend since 1873. Altogether 111 rewards have been paid and 169 convictions secured. Ten incendiaries have been sentenced for life, and the remainder condemned to an aggregate of 935 years and seven months' imprisonment. The cost to the underwriters has been \$36,918.17. These figures do not include the thirty-eight convictions on the Pacific coast.

## TAXATION.

Upon this subject Mr. Heald says:

The subject of taxation has been so fully discussed in previous addresses, and has of late been so ably and fairly considered by the press, that little remains to be said, except to reiterate the arguments already used and with which you are familiar. There seems to be on the part of our legislatures a growing willingness to listen to fair argument and consider reasonable claims for just and equitable modes of taxation. The plan of taxation adopted by any State for the capital organized under its laws does not come properly before us for consideration, yet it gives us pleasure to note that the State of New York, while reorganizing its scheme of taxation for its own companies, has also reduced the tax on the gross premium receipts of the foreign companies, and abrogated it altogether so far as companies from other States are concerned. This was necessary in order to relieve its own companies from a like tax in other States under retaliatory laws. The State of New York has at length discovered that the collection of one dollar from companies of other States, and thus subjecting its own companies to a tax of three dollars in those States, is neither sound policy nor good statesmanship. This action is the first step towards the repeal of the entire system of retaliatory or reciprocal laws which have too long disgraced the statutes of so many of our States. If the amount charged is a tax, let it be so declared and fixed in character; if a license or franchise tax, let it be clearly defined as such by the law of each State. Making the law of one State depend upon the statutes of another

State, and compelling a citizen of one to hunt up the laws of half a dozen other States before he can determine what he may rightfully do under the laws of his own State, is a travesty of legislation—an unreasonable and burdensome exaction. The State of New York has done a wise thing—has set a good example, and one which other States will follow on a proper presentation of the facts which led to this wholesome legislation.

I desire to call the attention of this Board and of the public to the practical working of this franchise or license tax, or tax on gross premiums, as a condition of doing business in certain States, and for the purpose I select the States of Michigan and Wisconsin.

The companies from other States doing business in Michigan from 1870 to 1885 inclusive, give the following results:

Premiums .....	\$35,755,253
Losses .....	\$20,120,687
Expenses at thirty per cent. .	10,726,576 30,847,263

Difference .....	\$4,907,990
Three per cent. on gross premiums, \$1,062,657, or 21.6 per cent. of profit.	

Thus leaving them a profit of \$4,907,990 for sixteen years' business. During this time these companies paid that State a specific tax of three per cent. on gross premiums, or \$1,002,657, or 21.6 per cent. of all their gains in the State, not deducting unpaid losses and unearned premiums on pending risks. Was ever a business taxed so fearfully? Was ever a business licensed at such cost, or a franchise taxed so unjustly or so unequally with others of like character?

In the State of Wisconsin, where the tax is 2 per cent. (in addition to the valued policy law), we have the following result from 1869 to 1885 inclusive:

Premiums .....	\$32,326,817
Losses .....	\$20,866,731
Expenses at thirty-one per cent* .....	10,211,313 30,888,044

Difference .....	\$1,438,773
Two per cent. on gross premiums, \$646,536, or forty-five per cent. of profit.	

Forty-five per cent. of the net profits in that State for seventeen years have been sequestered to the State. Unjust as this is



upon the business as a whole, its effect is often to wrest from the unfortunate companies a tax upon their net losses in addition to that on receipts. These examples show most clearly the injustice of taxing gross premiums for the exercise of a franchise which may or may not yield a profit—in fact, prove no franchise at all, or privilege, except of loss. The true principle of taxation is the value of the franchise or privilege granted. On this basis no company will object to a reasonable tax, for then the tax is on profit—not on loss—and as such would be cheerfully paid. This Board should take immediate measures to secure the modification of these laws, and there certainly ought to be no doubt of success if proper efforts are made at the next session of the legislatures of these States.

#### TABLES I. TO VII.

These tables give the ratios of dividends, losses, expenses, etc. We copy the following averages: Dividends—New York companies, 10.48; other-State companies, 11.31; aggregate, 10.93. Losses—New York companies, 55.44; other-State, 59.14; American, 57.40; foreign, 62.01; aggregate, 58.30. Expenses—New York companies 36.95; other-State, 30.54; American, 33.40; foreign, 30.97; aggregate, 32.97.

#### RATIO OF BURNING.

The comparison of one year with another single year will not give us a satisfactory answer to this important question. A single year may be so largely influenced by the financial condition affecting values unfavorably for that year, that a comparison with the year following when, by natural reaction, values are largely enhanced, will not determine the question so accurately as to form a safe base for adjustment of rates for the future. We must seek a basis of larger scope, so as to give full play to the law of average which, after all, must be the starting point for adjusting all average rates to particular subjects of insurance in accord with the great law of our business. In fact, the loss ratio of a single year is so responsive to the financial and industrial barometer of that year, that it is unsafe to build upon its results, except as correlated to results of other years sufficient in the

number embraced in the general formula to overcome or neutralize this abnormal disturbance to the intrinsic fire hazard. Fortunately we are now in possession of official data, extending over twenty-five years, sufficient for five quinquennial periods. These periods will give steadiness to the ratios and afford us greater, if not absolute certainty in the deductions we may make. In the third period (1871-1875) the ratio has been largely increased by the Chicago and Boston fires, while the fourth (1876-1880) shows the reaction from those fires in the greater care and caution on the part of the insured in the protection of the property covered. Rates have little if any influence on the ratio of burning. We are now considering the question whether our official statistics show a greater tendency of insured property to burn now than twenty or twenty-five years ago, and the unusual disturbance noted in the third and fourth quinquennials will be equalized in the aggregates of the five periods. We cannot eliminate these two disastrous years (1871 and 1872) from our formula, as we ought not to deceive ourselves by the hope or idea that like disasters are never to occur again. The first period starts with a loss of 40.7 cents to \$100 written, and records 50.44 cents, 58.89 cents, 43.36 cents, and 49.43 cents, closing with an average of 49.25 cents for the whole twenty-five years. Compared with the first quinquennial, the fourth (the most favorable period) is 3.29 cents greater and the fifth is 9.36 cents greater than the first, while the average of the twenty-five years is 9.18 cents greater than that of the first quinquennial. If we commence with 1876, we shall find only one year, 1878, which fell below the ratio of the first period. Table VI. shows the more recent yearly fluctuations, and confirms the fact of a steady, though not uniform, increase, which is demonstrated beyond doubt by the final ratio of 49.25 cents. If we are to diagnose the future by the light of the past, we must prepare to face an increase in the ratio of burning in years to come. How great that increase is to be, or whether past experience can be reversed, can only be controlled in part by more exact inspection and closer underwriting. The causes that

have produced these results are still at work, and our reasonable fear is that they may gain additional potency, so as to more than keep pace with all the care, inspection and safeguards we may be able in the light of past experience to throw into and around our future business. Perpetual and untiring vigilance in the scrutiny of our business will be more than ever the price of success.

#### RATES OF PREMIUM.

The amount written in 1835, compared with 1874, shows an increase of \$55,186,530—an increase of \$2,514,466.55 in premium received, and an increase in the rate of premium of 1.97 cents upon each \$100 written. The rates commencing with 1878 at .7575, have steadily advanced every year to .9016 at close of last year, and are now higher than ever before, save during the quinquennial (1871 to 1875) including the reaction following the Chicago and Boston fires. We must not, however, be deceived by this apparent increase in the rate ratio, for a large portion of this increase is attributable directly to the enormous development of term risks, which give two and three times the annual rate to the \$100 of risk. We have now reached a point where we cannot reasonably expect further decided increase on our business in the aggregate. As a whole, rates cannot be materially advanced. Readjustment and advance should be made on particular classes, and can be, without injustice to any. Competition has reduced rates on certain classes below the line of safety—notably on dwellings, special hazards and term risks. On these concerted action can only secure the needed advance to bring them up to a proportionate average of profit. Certain general rules are applicable to the first and third class, while special ratings on careful survey and rigid inspection can be easily made applicable to the second named. These three great classes deserve immediate attention, and should receive at your hands such combined action as to restore them once more up to a conservative and paying standard.

#### TERM RISKS.

Sixteen hundred and twenty-five millions of term risks were written last year and in

force at the end of the year, and have to be added to the several classes of term risks previously written and in force at that time. In round figures as follows: Forty-six millions of two-year risks at an increase of rate of 2.52 cents per each \$100 over the previous year, and 1 26 cents above the average of its class; \$1,133,000,000 of three-year risks at an increase of 2.24 cents per \$100 over the previous year, but .96 of a cent per \$100 below the general average of its class; \$21,000,000 of four-year risks at increased rate of 7.15 cents per \$100, and 3 84 cents per \$100 above the average of its class; \$119,000,000 of five-year risks at a decreased rate of 4 85 cents per \$100, but at an increase of 2.33 cents above the average of its class. The amount of three-year risks outstanding at the close of the past year was \$154,000,000 greater than at the beginning, and \$1,225,000,000 greater than three years ago. The five-year risks increased \$31,000,000 over the preceding year, and \$753,000,000 over its class five years since. There is certainly not much encouragement in this review. One thing is certain, that the annual rate on which the term rate is based is too low by far, and that the formula of two and one-half and three times the annual rate for three and five-year terms is altogether too favorable to such risks. With normal rate too low and formula defective, no essential change for the better can be expected.

#### RESULTS.

The total premiums received and losses paid since organization (or admission to the United States) are summarized as follows:

	Premiums.	Losses.
59 N. Y. State Co's.....	\$415,025,787	\$213,032,723
134 Other-State Co's. ....	658,970,291	391,590,151
Total American. ....	1,073,996,078	604,622,874
24 Foreign Co's. ....	241,165,506	145,958,279
216 Co's., total.....	\$1,315,161,584	\$750,581,153

In addition there are \$16,007,925 unpaid losses, and \$61,547,711 unearned premiums. The expenses aggregate \$438,608,774, making a total of \$1,261,745,563. This leaves a balance of \$53,416,021, being a profit of 4.06 per cent. We again quote from Mr. Heald:

The average profit of fire underwriting:

in this country for a period of twenty years has not exceeded 4 15-100, but has probably not gone above four per cent. Making due allowance for the influence of fractions in dealing with these larger figures, we therefore place the ratio of profit at 4 10-100, as being a safe average of the first and second comparisons above, and of which the third is confirmatory. It is from this initial point the successful underwriter is to adjust the average of the greater to that of the particular classes whose averages go to make up the grand average. On the skill with which these points are assimilated and made applicable to individual risks, and the fidelity with which the daily administration of our business is brought into conformity with this great chart of our experience, will depend our success in mastering the details of the business and measuring aright the perils of fire underwriting.

#### FAILED OR RETIRED COMPANIES.

A list is given of the companies which have failed or retired since 1865 in the different States. We copy the California companies and the aggregates, as follows:

CALIFORNIA COMPANIES.	Capital.	Assets.
California Home.....	\$300,000	Unknown
San Francisco Fire.....	300,000	\$365,000
National Fire.....	1,000,000	1,130,100
Builders F. and M.....	53,150	78,011
Oriental F. and M.....	93,325	121,591
Occidental F. and M.....	300,000	474,094
Pacific F. and M.....	1,000,000	1,777,266
Peoples F. and M.....	200,000	324,106
California Farmers.....	200,000	332,828
Western F. and M.....	200,000	258,947

Ten companies..... \$3,646,475 \$4,861,943

ALL COMPANIES.	No.	Capital.	Assets.
California.....	10	\$3,646,475	\$4,861,943
Connecticut.....	17	3,750,000	6,434,995
Illinois.....	44	7,015,329	11,291,409
Iowa.....	36	585,432	1,879,054
Kentucky.....	5	435,250	512,653
Louisiana.....	17	1,920,000	2,198,086
Maine.....	5	651,520	1,470,964
Maryland.....	13	873,528	1,113,364
Massachusetts.....	43	11,100,000	23,068,726
Michigan.....	6	200,000	479,270
Missouri.....	35	3,954,018	5,683,182
New Jersey.....	27	3,058,400	5,196,365
New York State.....	99	24,830,012	38,610,780
Ohio.....	53	6,556,418	11,654,234
Pennsylvania.....	78	6,104,259	9,912,221
Rhode Island.....	8	1,250,000	1,959,982

Texas.....	8	1,475,000	1,408,382
Virginia.....	20	2,350,000	927,777
Miscellaneous.....	55	1,447,800	2,078,563
		\$81,203,441	\$130,741,950
Foreign companies....	8		3,671,827
Total.....	592	\$81,203,441	\$134,413,777

#### CONCLUSION.

We have now reached a point in the condition of our business where we cannot remain as we are. We have a standard by which to take our reckoning and shape our course. We cannot maintain standard or uniform rates in company with unrestricted commissions. Open commissions mean open rates. Fixed rates cannot long exist without fixed commissions—both must be definite and uniform. Rates cannot be re-adjusted, equalized or advanced, or even maintained as at present, without a fixed and uniform commission. The question demands settlement, and settlement now. The crisis is not only impending, but it is upon us this very day and hour. This question of expense must be met now—and that factor in our expenses which has grown upon us the most rapidly and is the most fatal to success is to be dealt with first of all. The reduction of commissions in excess of fifteen per cent. is absolutely the condition precedent to the maintenance or advancement of rates. So long as excessive commissions enable our agents or brokers to auction off the business to the highest bidder, or cut our rates by dividing the same with the insured, union is impossible. Rates cannot, and ought not, and indeed will not be maintained under such conditions. This question of fixed and uniform commissions is before you probably for the last time, if it now fails of a reasonable adjustment. Underwriters can no longer justify to the public rates so fearfully loaded by expenses so uncalled for, so injurious to the honest and experienced agents, and so fatal to the best interests of companies. Agents do not clamor for excessive commissions, for they know that with increased pay comes increased competition and new competitors. There never has been a time more favorable for the adoption of the plan and pledge proposed by a late convention and largely signed by the leading compan-



ies. If this plan or its equivalent, limiting commissions to fifteen per cent., is not adopted here or at an early date, the future will indeed be full of danger to the business we represent. Of this question we are masters. On other questions we may differ, but on the question of reducing to a proper figure this increase of eighty-four per cent., which has so stealthily crept in with these past twenty years, there is no middle ground—it is either life with action, or death by neglect. We cannot let it alone, for to hesitate is to be lost; our only safety is action, and action now. The past is behind us and our losses irrecoverable, but our follies may be abandoned and our mistakes corrected. With us rests the future, and as we act our part shall we honor or disgrace the profession we have chosen, and to which we have dedicated our time, our talents, and the best energies of our business life.

#### Guarantee Insurance.

That form of insurance which is variously styled fidelity, surety and guarantee insurance is comparatively so new in this country, especially in this community, that business men, lawyers, court officials and others who may require such indemnity do not yet appreciate its true value and convenience. In England guarantee insurance is recognized as not merely a useful but an essential concomitant of modern business life. The surety it offers is far superior to that of individuals, and the surveillance of employes whose fidelity is guaranteed is directly in the interest of their good morals and faithful service.

In view of the temptations which beset young men in our large cities, we might give this latter point more attention, and recommend fidelity insurance, not only to employers, but to the young men themselves, and especially to parents, as a restraining influence admirably qualified to put the "guaranteed" on their good behavior and keep them aloof from resorts which assail and undermine the moral nature. The knowledge that the alert agents of the surety company are ready to report his conduct when "off duty" will certainly

deter all but the reckless from indulging in pastimes or frequenting places which lead to ruin.

Another feature which should commend guarantee insurance to business men and the community in general, is the swift and sure punishment of crime which the vigilance and interests of the companies secure. The slow and dubious legal methods of the State are ably supplemented by the guarantee companies, who urge the authorities to the energetic performance of their duties, and discover and convict criminals when the State is ready to abandon their pursuit or liberate them for want of testimony. In our last month's issue we referred to the case of a teller of a bank at Pullman, Ill., who was a defaulter. He obtained straw bail and would doubtless have escaped had he not been secured by a guarantee company. Through the prompt and decisive action of the company the defaulter was sentenced to three years, and the straw-bailer to one year in the penitentiary. A more recent case was that of Wait E. Davis, agent of the Continental Oil Co. at Las Vegas, N. M., who closed his accounts with a deficit of \$499.60, claiming that he had lost the pocket-book containing the money. His fidelity had been guaranteed by the American Surety Co., which at once paid the loss to the oil company, and sent an inspector to investigate the case. Inquiries proved conclusively that Davis' story was false, and he was arrested at Las Vegas and committed to jail in default of bail to await the action of the grand jury. His conviction is regarded as certain.

An absurd decision by a New York Judge against the sufficiency of a bond of a guaranty company has just been overruled by the Supreme Court of that State. The facts in this case were as follows:

Edward Rosenwald *et al.* recovered a judgment against an insurance company for the sum of \$4,675.77; the insurance company, appealing from such judgment to the General Term of the Supreme Court, filed the undertaking on appeal with the American Surety Company, as a surety thereon. Exceptions being taken to the American Surety Co., in view of a late decision against the

sufficiency of the company by Judge Van Brunt, the company justified as such surety on the undertaking given, and after justification Judge Barrett sustained the same, approving of the justification by the company, and rendered the following decision:

"When it is considered that the company has full collateral security for all money undertakings or Court bonds, and when it is also considered that the percentage of losses on bonds given for the fidelity of persons holding positions of trust does not exceed 12½ per cent. of the premiums received, it would seem that the surety is sufficient. The same result follows, even if 50 per cent. of the reserve premiums be taken as the measure of liability on such trust bonds."

There are three guarantee companies in San Francisco, namely: The Pacific Surety Company, a most worthy local enterprise; the Fidelity and Casualty Company of New York, and the American Surety Company of New York. All three are thoroughly reliable corporations, and each is abundantly able to execute all its undertakings.

### Louisiana License Law.

A bill prohibiting the allowance of a rebate and requiring the insertion of the net premium in the body of the policy, has passed both houses of the Louisiana Legislature. The license bill also passed both houses. Under this enactment the license fee ranges from \$300 to \$1,750 annually, according to the gross annual amount of premiums carried in the State. The new law applies to all kinds of insurance, and by reducing the number of companies, will diminish competition and elevate rates. This license tax is an outrageous tax on a tax, and by increasing the cost of insurance really robs the insured. The Louisiana legislators should be led away by their ample ears and thrown into a neighboring bayou.

The license law—we assume that the Governor has already signed, or will sign the bill—is as follows:

First class, premiums of \$300,000 or more, the license shall be \$1,750; second, when premiums are \$250,000 and less than \$300,000, the license shall be \$1,500; third, when

\$200,000 and less than \$250,000, license \$1,250; fourth, when \$150,000 and less than \$200,000, license \$1,000; fifth, when \$100,000 and less than \$150,000, license \$750; sixth, when \$80,000 and less than \$100,000, license \$700; seventh, when \$70,000 and less than \$80,000, license, \$650; eighth, when \$60,000 and less than \$70,000, license \$600; ninth, when \$50,000 and less than \$60,000, license \$550; tenth, when \$40,000 and less than \$50,000, license \$500; eleventh, when \$30,000 and less than \$40,000, license \$450; twelfth, when \$20,000 and less than \$30,000, license \$400; thirteenth, when \$10,000 and less than \$20,000, license \$350; fourteenth, when less than \$10,000, license \$300.

### The New York Compact.

The compact regulating business in the city of New York, referred to in our last issue, has been signed by every fire insurance company and agent doing business in the metropolis. The Committee of Fifteen found the work of securing signatures to the compact much easier than former committees, for the hardest kickers have been taught by recent competition some wholesome lessons in the value of conservative, organized methods. The text of the new compact is as follows:

With the view of improving the fire insurance business of this locality, and for the purpose of decreasing the present heavy ratio of expenses in conducting the same, the undersigned hereby respectively agree to unite in an association upon the following conditions:

1. That all risks of every description in the Metropolitan District be equitably rated.
2. That no commission be paid in excess of ten per centum of the premium.
3. That no rebate to the assured be made by the companies from established rates, and that rules be prepared under which the rebating of commissions by brokers shall be effectually prevented.
4. That penalties be fixed for the infraction of any of the rates and rules that may be adopted by the Association.

It being understood and agreed that, as soon as every company doing business in the Metropolitan District shall have signed this agreement, a meeting of the signers shall forthwith be called, and a plan prepared, embodying the foregoing conditions, and providing for the speedy execution of the same.

## Digest of Recent Insurance Decisions.

### FIRE.

**CALIFORNIA SUPREME COURT DECISION—ARBITRATION.**—*Adams v. The South British & National F. & M. Ins. Cos.*; Cal. S. C., July 23, 1886—Policy contained the usual arbitration proviso in case of differences as to loss. *Held*, That the language of the stipulations brings the case within the principle of the case of *Old Saucelito Land D. D. Co. v. Commercial Union A. Co.*, 5 W. C. Rept., 41, and of the cases there cited, on the authority of which the judgment and order in the present case must be reversed. Here, as it was in the *Saucelito* case, the clear meaning of the contract is that if the amount of loss cannot otherwise be adjusted to the satisfaction of the parties, it shall be adjusted by the mode of arbitration therein prescribed, and that until such adjustment, or a fair effort on the part of the insured to obtain it, no cause of action arose. Judgment and order reversed and cause remanded for a new trial.

**MEANING OF CONTIGUOUS.**—*Olson and Roberts v. St. Paul Fire and Marine Ins. Co.*, Minn., S. C., July 14, 1886.—A policy of insurance issued upon a dwelling house owned by plaintiff contained the following condition: "If the risk shall be increased by the erection or use of any building *contiguous* thereto, without the consent of this company endorsed thereon, this policy shall be null and void." *Held*, That a building erected at a distance of *twenty-five feet* is not to be construed as *contiguous* within the meaning of the condition, and the policy was not avoided thereby. It is a well settled rule of construction that the language of a condition in a policy, being that of the insurance company and selected by it, must be clear and unambiguous and any doubt as to its meaning must be resolved in favor of the policyholder.

**IRRESPONSIBILITY OF ASSURED FOR FALSE STATEMENTS BY AGENTS.**—*Donnelly v. Cedar Rapids Ins. Co.*; Iowa S. C., June 21, 1886. Application, which was signed by the assured, contained certain statements which were made warranties. These statements

were false. The jury found that the assured signed the application in blank and left it with the agent of the company, and that the agent filled up the application and wrote out the answers to the questions contained therein, basing the same on his own investigation and knowledge. *Held*, That where an insurance company appoints an agent to solicit insurance, and furnishes him with blank applications, it must be assumed that he is vested with the power to fill up the application in accordance with information furnished him by the applicant; and such is the usual practice. For this purpose he is the agent of the company; and if, instead of obtaining the requisite information from the applicant, he obtains it from others, or fills up the application in accordance with his own knowledge and information, and thereon a policy is issued and delivered by the company, and the premium paid by the applicant, the company is bound by the statements in the application and the assured is not, in the absence of fraud. It will be conceded that the defendant, when it issued the policy, believed that the plaintiff had furnished the information contained in the application, and that if it had known the facts it would not have entered into the contract of insurance. But this is immaterial, because the deception was practiced by its own agent and not by the plaintiff.

**OCCUPANCY ONCE MORE.**—*Sexton v. Hawkeye Ins. Co.*, Iowa S. C., June 14, 1886.—The building insured was a dwelling house occupied at the time the policy was issued by a tenant who moved out of it three months before the loss. *Held*, That the hazard of winds, tornadoes, etc., was increased by the vacancy of the building; that the tools and other articles which were stored in the house by plaintiff at the time of the loss, did not constitute occupancy, as contemplated by the policy; that the building being described in the policy as a dwelling house and insured as such, it must be kept occupied as such; that its occupancy for the purpose of storing tools, jars, etc., did not comply with the provisions against the vacancy of the building. It was in this case also held against theories and claims of counsel, that the word "premises" in the



policy referred to the property insured, viz: the house, and not to land upon which the house stood; therefore the occupancy of the land about the house was not such an occupancy as the policy contemplated. The house itself must be occupied for dwelling purposes.

**TITLE.**—*Garner v. Hawkeye Ins. Co.*; Iowa S. C., June 18, 1886.—The defense was that the assured had misrepresented his interest and title in the property. Among the questions asked in the application which, by the terms of the policy, was made a warranty and a part of the policy, was the following: "Are you the sole and undisputed owner of said land and the property to be insured?" This question the assured answered, "Yes." The assured was the owner of a life estate only in the land. *Held*, That it was such a mis-description of interest in the property as would defeat his right of recovery.

**UNAUTHORIZED OR UNDERGROUND INSURANCE.**—*Hood v. Anglo-American Ins. Co.*, U. S. C. C., Mo., April, 1886.—In an action to recover for a loss, where the defense set up by the company was, that it had no authority to act in the State, hence service on the agent who received the premium and delivered the policy was not service on the company. *Held*, That the company could not take advantage of its own violation of law to escape liability.

#### MARINE.

**SPONTANEOUS COMBUSTION.**—*Providence-Washington Ins. Co. v. Lewis Adler et al.*; Maryland Court of Appeals.—The plaintiffs shipped, by a line of steamers running from New York to the South, a quantity of oil-cloth clothing to Louisiana and Texas. They insured this clothing, before shipment, in the office of the defendant company. The clothing was packed in boxes, and on its arrival at its destination it was found injured and comparatively worthless, either by spontaneous combustion or by some chemical action arising from the material in the goods themselves. They all presented the appearance of having been burned or charred within the boxes. The clothing

was not injured by any external force or accident; but whatever the injury was, it was the result of the inherent infirmity of the goods themselves. Neither the plaintiffs nor defendants knew at the time the insurance was effected that the goods were liable to spontaneous combustion, or to be injured by any inherent defect in the goods. No extra premium to cover such risk was paid. *Held*, That the term "fire," as used in a policy of marine insurance, does not cover a loss occasioned by spontaneous combustion caused by an inherent infirmity of the article insured, and not called into activity by any peril insured against.

**GENERAL AVERAGE.**—*Ocean S. S. Co. v. Anderson et al.*; Eng. H. C. J.—The jury found that there was an agreement for a fixed sum, and the learned judge held that on that finding general average would be chargeable, and so the verdict went for the company for the full amount claimed. On application, however, to the Divisional Court, they ordered judgment to be entered for the defendants, *Anderson & Co.*, considering that, because the Ocean Company had chosen to pay such a sum, they could not recover it from the cargo owners. The case was then taken to the Court of Appeal, and they took a different view, and as the jury had found that there had been a binding agreement to pay the sum demanded, and the assistance was necessary to preserve the ship and cargo, the ship owner, having paid the whole, was entitled to recover from the cargo owners their proportion of the amount, and so they gave judgment for the plaintiffs. Then there was an appeal to the House of Lords, and they took again a different view, and thought that the real question had been lost sight of, which was whether the sum demanded by the China Company for the services rendered was reasonable, and that the jury ought to have found if it was so or not, and so they directed a new trial.

Subsequently a jury found that there was no binding agreement for a fixed sum for the services rendered, but that the master of the *Achilles*, when he asked for the assistance of the China Company's vessel,

knew of the terms demanded, but they further found that £1500 would be a reasonable sum to be paid for it (which would make the sum payable by the defendants £92), and they would have given their verdict for that sum; but it was held that if there was no agreement for a fixed sum, there would be no liability on the cargo owners, to repay the ship owner their proportion of the sum paid.

Mr Justice Grove, in giving judgment, observed that the matter had arisen as long ago as 1880, and had been in litigation nearly six years, in the course of which it had been before five different tribunals, which had differed in their views, and he doubted whether even now, after all this litigation, the parties would succeed in their pursuit of an ideal perfection of legal justice, or would obtain a perfectly satisfactory settlement of the law, as the ultimate judgment, would probably turn on the circumstances of the case. The Court of Appeal had held that the cargo owners would be liable to contribute for such services, but the House of Lords had held that the amount to which the cargo owners were bound to contribute must be reasonable, and that they were not necessarily bound to contribute to any amount the ship owners had chosen to pay. It was clear that the House of Lords had considered that cargo owners might be liable to contribute to a less sum than £2,500, but they thought that the question of amount ought to be submitted to a jury. At the last trial it had substantially been submitted to them, and they found that £1,500 was the reasonable amount. And he thought that was just and right, and that the verdict ought to stand for a sum calculated on that basis, which would be £94—i. e., £19 more than the sum of £75 paid into court.

REINSURANCE.—Commercial Union Assurance Co. v. The Marine Co.; Eng. H. C. J. —This was an action to recover a balance of £3000 under a contract of reinsurance or "covering note," issued by the defendant company to the plaintiff company on 17th January, 1882, on a cargo of wheat by a vessel called the *Corsica*, at and from Portland or Astoria (Oregon) to the United

Kingdom. The note ran as follows: "To the Marine Insurance Company (Limited). Reinsurance is wanted by the Commercial Union Assurance Company of London for not to exceed £3000 (*sic*) on cargo of wheat, etc., to take the excess of £5000, valued at as per original policy. Shipped or to be shipped on board the British ship *Corsica* at and from Portland and (or) Astoria to Queens-town or Falmouth, for orders to discharge at a safe port in the United Kingdom. Warranted free from average unless general or the ship be stranded, sunk or burnt, or unless caused by collision with any other ship or vessel. The reinsurance hereby applied for to be subject to such risks, valuations, and conditions as are or may be accepted by the said Commercial Assurance Company, and payment of loss, if any, to be made at the same time, at the same place, in the same manner, in the same currency, and according to the same adjustment as accepted and paid by the reinsured." At the date of the above covering note the shipment of the cargo at Portland had not been completed, and consequently the value of the cargo was unknown, either there or at San Francisco, where the covering note was effected. At that date the plaintiff company stood in this position. Their agents at Portland, Messrs. Sibson, Church & Co., had effected insurance on their behalf on the cargo of wheat, whatever its value might turn out to be in excess of \$3000, which had been insured with the London and Provincial Assurance Company. The plaintiffs being desirous of reinsuring the whole of their risk in respect of the cargo, effected the above covering note with the defendant company, having previously effected reinsurance with the Globe Company to the extent of £2000. The question now to be decided, was whether the plaintiff company had, by means of the covering note above set out, effected a complete reinsurance of their risk; or whether, as the defendant company contended, the true meaning of the covering note was that the defendants only undertook reinsurance of all but £5,000, not of the full value of the cargo, but merely of the plaintiffs' risk in respect of it. From the evidence taken at San Francisco, under commission, it ap-

peared that when the covering note was effected, a discussion took place between the agents of the plaintiffs and defendants as to the probable value of the cargo, and the figures 3,000 were struck out before the covering note was signed, thus leaving no limit. The *Corsica* completed loading on 21st January, 1882; and on the 23d, the value of the cargo having been then ascertained to be £10,140, a policy was issued by the plaintiff company for £7,140, on 20,051 bags of wheat, valued at £10,140.

The vessel soon afterwards sailed from Astoria for the United Kingdom, and, having struck on the bar at the entrance of the river, foundered and became a total loss, together with her cargo of wheat. The plaintiff company having paid a total loss on their policy for £7,140, applied to the defendants for a policy for £5,140, which the plaintiffs contended they were entitled to under the terms of the above covering note, asking the amount by which the value of the cargo exceeded the £5,000 mentioned in the covering note. The defendants objected to issue such a policy, and contended that their liability was limited to the amount by which the amount of the risk (*viz.*, \$7,140) undertaken by the plaintiffs exceeded £5,000; and on this footing they paid to the plaintiffs £2,140. The present action was brought to recover the difference between that sum and the \$5,140 claimed by the plaintiffs to have been reinsured under the covering note. The case having been opened by Sir R. Webster on Wednesday morning, it was agreed by the counsel on both sides that the jury should be discharged, and the case proceeded before his Lordship alone. Voluminous depositions taken on commission at San Francisco with reference to what had passed when the covering note was given between the agents of the companies, and with reference to instances of previous reinsurances effected by the plaintiff company with the defendants and other insurance companies, were put in and read. In the result, however, it was found that the question practically resolved itself into one of the construction of the covering note.

*Held*, That, although the case was of some magnitude, and much expense and

time had been consumed in taking evidence under the commission, the case was not one involving a question of principle which would govern future cases, inasmuch as the alteration of a few words in the contract of insurance would plainly express the meaning intended to be conveyed. The question really was, What was the proper construction of the covering note? Referring to the expression in it, "valued at as per original policy," the true construction is, that the defendants were to take the excess over £5,000 of the whole value of the cargo as valued in the original policy issued by the plaintiffs, to wit, £10,140. The defendants having already paid £2,140, they remained liable to the plaintiffs for the balance of £3,000, in accordance with the above construction. Judgment for the plaintiffs for that sum and interest, with costs on the higher scale.

**BARRATRY.**—A somewhat important case in marine insurance law has recently been decided in New Zealand. The captain of a steamer, in defiance of the signal, "Bar dangerous," tried to run her into Greymouth harbor without the aid of a tug, on 22d December, 1884. The vessel took the ground and became a total wreck. The owners claimed under the policy, but the underwriters resisted the claim on two grounds: 1st, That the action of the captain was barratrous; and 2d, That a warranty of the policy was, "To be towed in and out of Greymouth." At a first trial, held on 22d October, 1885, a special jury brought in a verdict that the captain was guilty of barratry; but leave was given to make a motion for a new suit and new trial. The case therefore came before the court again, with the result that the plaintiffs were non-suited, the underwriters being absolved from liability.

#### LIFE.

**PROFITS—DIVIDENDS—NOTICE.**—Manhattan Life Ins. Co. *v.* Smith; Ohio S. C., May 9, 1886.—Where, by the terms of contract of life insurance, the beneficiary named in the policy is entitled to participate in the profits, a portion of which, in the form of dividends, is to be applied each year in re-



duction of premiums, and it has been the uniform practice of the company to give timely notice of the amount of premium, amount of dividends, and of the balance to be paid in cash, and the company neglects to give such notice having knowledge of the residence of the beneficiary, and by reason thereof a premium is not paid at the time specified in the policy, the company cannot set up such failure to pay as a defense to a recovery upon the policy, although by its terms the same is to be forfeited in case of failure to pay a premium upon any of the dates stipulated therein.

In such case, where the company has uniformly sent the notices to the insured (the husband of the beneficiary), and he has made payment of premiums from year to year, the law will treat him, in making such payments, as agent for the wife; but where it is shown to the company, by letters from the husband, very shortly after notice is sent, that he and his wife have separated, the having commenced a proceeding for alimony against him, and that he is desirous of having the policy changed and made payable to his estate, the company is not justified in treating him as her agent, for the purpose either of receiving notice for her, or of making a surrender of the policy.

In such case, an attempt by the husband without knowledge of the wife to surrender the policy to the company, is inoperative, and the rights of the wife are not thereby impaired.

Where the company repudiates the contract, and by its course of conduct clearly indicates that a tender of the premium after the death of the insured, if made, would not be accepted, a failure to make such tender will not bar a recovery on the policy.

#### ASSESSMENT.

**DISEASE DEFINED — ASSIGNMENT UNDER THEAT.** — *Monroe v. Knights of Golden Rule*; Marion Co. (Ind.) Spr. C., April 28, 1886.—This action was instituted by the guardian of Mrs. Sanford, a minor and widow of the insured, to recover on a certificate of insurance issued to the deceased, wherein she was named as beneficiary, and to whom it was made payable at his death.

All obligations were met by the insured during his lifetime, and due performance of all agreements had been made which were necessary to maintain this action. The defendant association alleged that the certificate was issued to the deceased in consideration of and upon certain facts contained in the application, and upon the truth of which the certificate was issued. That the application warranted his answers to be true, but to the question: "Have you ever had paralysis?" The answer was, "slight neuralgia."

It was shown upon the trial that the insured and his wife went to Kentucky to visit his father's people; that while there he sickened and died. His people learning of the insurance, demanded of the young widow (not yet of age) to assign them \$500 of the insurance money to pay funeral expenses and nursing. This she at first refused to do, but under threats that unless she did so, they would see that the policy be declared void on account of misrepresentations. She unwillingly made the assignment, but subsequently enjoined the payment, alleging that she was not of age, inexperienced, and not capable of making an assignment. Her husband's people thereupon wrote to the association, and informed it of the insured having had paralysis of the face, and other ailments before and at the time of making application for the insurance, and testified adversely to the plaintiff's cause, with a view of voiding the policy.

*Held*, That the term, disease, was not a temporary ailment, but some physical disorder of the system of such a serious character as to have some bearing upon the general health and continuance of life. The jury returned a verdict for the full amount—\$2,000—with interest, and declared the assignment under duress a nullity.

Assessments are levied so rapidly in the Mutual Reserve Fund Life Association, and the death rate is still increasing, that "new blood" is to be sought in foreign countries. The announcement that the association is about to establish a branch in Paris provoked *L'Argus* to say: "We shall have to point out its imperfections and dangers."

### Foreign.

The population of Australia at the end of 1885 is estimated as follows: Victoria, 991,000; New South Wales, 980,000; Queensland, 327,000; South Australia, 319,000; Western Australia, 35,000; total, Australia, 2,652,000, or about the population of Missouri; Tasmania, 134,000; New Zealand, 630,000; total Australasia, 3,416,000, or about the population of Illinois. The gain in five years has been only about 140,000. The area of this territory is about the same as the area of the United States.

The summer palace of the Emperor of China, near Peking, was burned recently. The loss was something like \$10,000,000. His celestial highness is so popular on this Coast that the announcement of "no insurance" will be received with universal regret. The military fire department of the imperial city were transported on lightning junks to the summer palace, but of course did not arrive in time to save it. They fought the fire very bravely with a relay of squirt guns and basins, and prevented the extension of the fire to the adjoining canal. But the emperor was dissatisfied, claiming that they should in some way have got there sooner. One officer ventured to say that had there been an American railroad and telegraph they could have got there in time to save the most of the building, but the emperor intimated that he was displeased with him for the suggestion. He cut off the head of that officer with neatness and dispatch; and then he ordered all the firemen to be bastinadoed, to remind them that they must leap lively hereafter at fires. We are aware that we are trespassing a trifle on the domain of the daily newspaper, but are confident that none of our readers has before read this news from China. There is not a word of truth in the greater part of the paragraph, but it is as reliable as much of the stuff about insurance that appears in the daily press. It is so easy to spin out a lie, and most readers neither know nor care to know whether what they read is true so long as it is sensational or conforms to their prejudices.

The New Zealand Ins. Co. has established an agency in the Argentine Republic.

Another insurance case of some importance has been before the Supreme Court at Auckland, upon an application from the New Zealand Ins. Co. to rectify a policy. The facts were these: The company had issued a policy for the insurance of certain buggies belonging to the defendant, and which in the proposal and the interim receipt were stated to have been contained in a coachhouse belonging to the defendant at Paeroa. By mistake these words were omitted from the policy. One of the buggies had been sent to Auckland for repairs, and while in the coach factory was destroyed by fire. The company had never intended to cover such a risk as that, and, upon a claim being made, discovered the mistake. An application to amend the policy had been made by the company to the owner, but he refused, and had taken action to recover the value of the buggy. The company now asked the court to either amend the policy or cancel it. On behalf of the owner of the buggy it was contended that the contract being contained in the policy merged the proposal and receipt and there being no ambiguity in the policy, the company could not now say they had made a mistake. Counsel for the company, however, said the real contract was the proposal and receipt. His Honor said this seemed to him to be so. The policy was the instrument evidencing the contract which had previously been entered into. A discussion arose as to the effect of the policy if the words were inserted, and eventually it was agreed that the case should be argued on all its points in Banco, the Court to determine the question of rectification or of cancellation, and also the question of the liability of the company to pay the loss sustained by the defendant.

Since the passage of the new insurance law, in Switzerland, forty-six foreign companies have not renewed their application for authority to do business there. They, therefore, cannot issue any new policies, but existing contracts will be kept up until their legal expiration.

A large percentage of the funds of British life offices is invested in land securities, and the recent agrarian agitation in Great Britain, and in Ireland especially, has affected the security of these loans to an alarming extent. In view of the undoubted political tendencies of the empire, it would seem to be the part of wisdom for British life offices to prepare for the coming storm by re-investing their funds, as speedily as possible, in securities not directly affected by any agrarian movement or rent troubles. As the British offices transact no life business in this country, our people have no special interest in the fact that of the \$700,000,000 life and annuity funds, one-half is represented by real property, as mortgages, rent charges, investments, etc. In the case of purely life societies the proportion is still greater, and some of the largest show land securities of over 70 per cent. of their total assets.

The underwriters of "Lloyd's" are now competing very briskly with the fire offices, and the amount of insurance placed there will soon render it worth the while of the Metropolitan Board of Works to come down on the Room for a contribution towards the expenses of the Metropolitan Fire Brigade. There is of course no particular reason why the underwriters at "Lloyd's" should pay the tax of £35 per million, but the fire offices have to pay, and look as pleasant as they can under the operation, and what is sauce for the goose is surely sauce for the gander.—*London Insurance World*.

Paris has an insurance agent who is 163 years old. He is ready to become a member of the Mutual Reserve Fund Life Association or any other American co-operative that may first arrive in La Belle France.

The *Budget* of Toronto prints the consolidated insurance act of Canada. Price, 25 cents.

There are twenty-seven insurance journals in Great Britain, and they all, with one or two exceptions, are dry as dust and heavy as lead. We can recommend them to anybody troubled with *insomania*.

### Don't be a Bore.

Young life solicitors and beginners often allow their faith in persistent work to run away with common sense, and they become bores. They literally bore a man into the resolution to remain uninsured, and perhaps confirm him in those stupid prejudices which nearly every man so easily imbibes, not merely against life insurance, but against any good thing. Often the solicitor must proceed gradually, as the farmer or gardener. If the soil is not ready, it must be made ready. Then the seed ideas must be sown, and a little time given for them to take root.

Many solicitors will get a man interested in the subject of life insurance, and then hammer away at it until the victim revolts and gives an emphatic "no." A successful worker of our acquaintance presents the claims of his company, and then goes his way. After awhile he meets the same man and broaches the subject incidentally, and generally finds that the "seed" has borne good fruit. The man has not been bored, nor has any feeling of distrust been caused by the needless prominence of the pecuniary interest of the solicitor—the commission he is after. Of course this leisurely way will not do for solicitors who hurry from town to town in the interior, and, besides, the "provincials" are not so easily bored as the busy men of cities. In the country the example of an influential man outweighs arguments and figures, and usually dispenses with the necessity for that persistency which so readily degenerates into exasperating iteration. Other forms of the genus bore are the loud talker, the poll-parrot talker, who has his little piece by heart, the egotist, who monopolizes conversation, and the man whose familiarity is patronizing.

Little things, little courtesies, little mannerisms, all contribute largely to success or failure. We once knew an agent who lost a fat commission because he persisted in standing and sitting too close to the "solicited," while talking up life insurance and his company. It was in vain that the gentleman moved his chair away a foot or so, repeatedly. The agent moved his chair



accordingly and thrust his face close to the gentleman's face, as he recited the good points for his company. He was literally too pushing an agent; he was a bore; but he prepared the way for the next agent, who pocketed the commission that the bore had fairly earned. You may say that this was a trifling thing to have provoked prejudice or angry impatience, however disagreeable in itself; but it is a trifle like this that often effects results in the social and business intercourse of men. A good rule is to note whatever is disagreeable to you in the conduct of others, and never be guilty of the same yourself. Don't be a bore.

### New Life Business in England.

Discussing new life business, the *London Review* says: An immense amount of importance is attached, and perhaps justifiably so, to the acquisition of new business, which, like everything else, it is worth having at a price. Amongst British life offices, a very marked distinction has always been drawn between policies issued and proposals not completed. As a matter of fact, proposals completed, and on which premiums are not paid, barely enter into the published announcements or the annual statement of the British life assurance companies. The number of assurances written are casually referred to in the annual reports, but unless the premiums are repaid thereon, these assurances are passed away into limbo and are no more referred to. As a matter of fact, they are only brought up in a deprecating sort of way, and in part justification of a certain portion of the expenditure. But we doubt if any British life office would care to incur the responsibility of accepting a very large amount of business unless nine-tenths at least thereof was actually brought to a successful termination by the payment of premiums.

In the United States of America competition is very keen, and the country is very large. The method of collecting business in that great confederation of States is so exceptional, and so utterly outside the cognisance of English people, that it may be well worth while for us to explain here,

that to attempt to collect business in the United States upon English principles would leave the company essaying it a very great way behind in the race for public favor.

### Mutual Reserve Fund Life Association.

During 1885 the Mutual Reserve Fund Life Association of New York, the champion hat-passer, received \$1,571,675.28 from members, and paid to members only \$838,879.20, or a trifle more than half the sum collected from them. The assessments yielded \$1,204,571.91, but the death claims paid were only \$838,675. The members paid, besides assessments, \$367,103.37 in fees and dues, but this sum being insufficient to pay expenses, a large portion of the assessments were appropriated for that purpose.

Some time ago there was a bill before the New York legislature prohibiting the use of mortuary assessments for expenses, and requiring special expense assessments, if necessary. When the reader compares the small amount returned to members with the large amount received from members, he will readily believe that the most bitter opponent of the proposed law was the Mutual Reserve Fund Life Association. The law would have cut down the profits of the managers very materially, for they would not have dared to levy special assessments for the extraordinary expenses in addition to fees and dues. If the managers would content themselves with moderate and fair salaries, the expenses would be far lower, and there would perhaps be less than \$124,000 of resisted claims.

In the *COAST REVIEW* for April, 1885, we stated that the salaries of the officers of the association ranged from \$20,000 down, and this statement was never denied. The sworn report of the association gives the aggregate of salaries at \$67,383.36, which does not include actuarial and medical fees or salaries. From information in our possession we have reason to believe that the figure is much less than the real one, which probably embraces the \$34,642.42 "commissions to agents."

By the way, we observe, with surprise of course, that in the advertisements of this

association nothing is said about the \$390,750 unpaid claims, nor of the \$124,000 resisted claims, nor of the \$11,499.82 law expenses incurred in fighting claims in the courts. The omission was doubtless an oversight, and will be rectified at once.

The foregoing figures place the Mutual Reserve Fund Life Association in a very bad light, but they are official and sworn to, and if they are wrong they are on the side of this champion humbug. The percentage of resisted death claims to death claims filed was 12.9. Four of the largest level-premium companies in America resisted, in the aggregate, less than one-half of one per cent. of the claims presented, or an average of less than one-hundredth of the proportion resisted by this representative corporation. The 12.9 per cent. of resisted claims is very significant. It means that every member of the Mutual Reserve Fund Life Association is confronted with one chance out of eight that his beneficiary's claim will be fought in the courts. He is a foolish man who, knowing this, will invest in that kind of insurance.

### Brokers and Brokerage in Australia.

In an address before the Insurance Institute of New South Wales recently, W. Goddard discussed brokers and brokerage, and among other things said, related the following incidents:

On one occasion I was waited upon by a man holding my renewal notices of a couple of insurances expiring in a few days thereafter, with a view of ascertaining whether I was prepared to pay him a brokerage for the renewal. The policies had been several years in force—no brokerage had ever been paid on them—the rates were moderate—he had nothing whatever to do with effecting the insurances, but had succeeded in getting the notices from the insured, and intended to place the line elsewhere unless I paid him 15 per cent. of the premium. I would here explain that the property covered was about two minutes walk from my office, and the premium amounted to £7, so that this carrier of renewal notices demanded the modest sum of £1 for his trouble.

After suggesting to him that it would probably save himself the expense of office-rent and clerical assistance if he remained on my door-step and levied "black mail" on me in connection with all my business that did not come through the post, I requested him to be seated whilst I went to interview the insured. From him I learnt that he had been pestered by this man to place his renewal notices in his (the broker's) hands, as it would do the latter a good turn, and without any expense to the former. The insured further informed me that he had no notion of the nature of the good turn, and would not for one moment sanction any alteration in his insurance, so that it ended in the indignant broker sending on the premium in full.

On another occasion, and in connection with the insurance of a firm whose stock was so large that it could only with difficulty get adequate cover in Sydney, a renewal notice was sent to my office by a broker a few minutes before four o'clock on the date of expiry of the policy, minus 15 per cent. As in the previous case, no brokerage had ever been paid on the risk, and I declined to issue a receipt. A letter to the firm in question intimating that the risk had lapsed owing to the non-payment of the premium, brought forth a reply to the effect that no authority had been given for any deduction, and the premium was sent in full.

It is well known that there are some companies here, whilst entirely opposed to the brokerage system, do make the allowance in connection with certain risks that they find themselves unable to secure without such allowance, which does not, however, exceed 10 per cent. of the premium. I know of a case where a not too eligible risk was accepted by two of such companies—probably sent them by directions of the insured. It was left with those offices for one year, during which two new companies made their appearance on the field, who were only too anxious to secure any business at 15 per cent. brokerage that has been accepted by any conservative office, simply on presentation of renewal notices, and without even inspection of the risk in ques-

tion. The broker in this instance, assuming to do what suited him best with his principal's interest, transferred the business after the first year; and, upon interviewing the insured, it was ascertained that the transfer had been made without his sanction or knowledge.

I shall refer to but one more instance under this heading, and it was in connection with a risk of an absentee from the colony, which had been on my books for several years, on account of old personal friendship. The renewal notice came into the hands of a gentleman who. I doubt not, is not known to the owner of the property. This gentleman does not profess to include insurance brokerage in his business, but, at the same time, he belongs to an association whose rules require that he shall not divide his fixed rate of commission with any principal or party not a member of his association. The unreasonable demand of 15 per cent. on account of brokerage having been refused, the risk was of course placed with another company, whose representative no doubt cheerfully yielded, and I question whether the owner will ever be made aware of the change unless he should again return to this country. I could say no more than that if this sort of thing becomes a regular practice with members of that gentleman's association, the numerous insurance agents would be compelled in self-defense to form a rival association, and transact his line of business at reduced commissions.

### Marine and Inland Business of the United States.

#### PREMIUMS AND LOSSES FOR 1885.

We compile the following figures from various State insurance reports. The figures for the fire-marine companies doubtless represent inland business. The aggregate marine business of foreign fire-marine companies is only a fraction of the whole. About one-sixth of the total is done by foreign companies. In the ratio of losses to premiums the foreign marine companies fared best, the average being less than 49 per cent. The total marine and inland business yielded only a fair profit, the losses

being 65.9 per cent. and the expenses about 25 per cent:

MARINE COMPANIES.			
Domestic—		Premiums.	Losses.
Atlantic Mutual, N. Y.	.....	\$3,369,411	\$1,868,315
Boston	.....	1,047,529	647,850
China Mutual, Boston	.....	240,739	238,825
Commercial Mutual, N. Y.	.....	221,294	164,985
Great Western, N. Y. (retired)	.....	377,289	322,585
New York Mutual	.....	219,340	128,155
Orient Mutual, N. Y.	.....	346,100	206,421
Sun Mutual, N. Y.	.....	142,133	110,540
Total	.....	\$5,963,835	\$3,687,676
Foreign—			
*Alliance, London	.....	\$8,123	\$8,605
*Baloise, Switzerland	.....	17,914	17,235
British & Foreign, Liverpool	.....	711,800	266,342
*Canton, Hong Kong	.....	40,311	21,048
*China Traders, Hong Kong	.....	8,831	1,262
*Chinese, Hong Kong	.....	11,609	22,698
*Danube, Austria	.....	1,975	369
*Fonciere, Paris	.....	29,962	2,304
General, Dresden	.....	51,751	15,475
*Globe, London	.....	2,672	15,326
*Helvetia, Switzerland	.....	17,914	17,235
*International, Liverpool	.....	3,347	.....
*London & Provincial	.....	16,395	.....
*Magdeburg General, Germ'y.	.....	9,334	8,464
*Mannheim	.....	969	.....
*Man On, Hong Kong	.....	14,445	778
Marine, London	.....	36,721	4,577
*Maritime, Liverpool	.....	8,131	12,824
*National, London	.....	2,146	5,000
*North China, Shanghai	.....	38,404	31,700
*On Tai, Hong Kong	.....	10,599	.....
*Reliance, Liverpool	.....	5,839	187
Sea, Liverpool	.....	151,015	65,703
*Standard, Liverpool	.....	1,619	.....
*Straits, Singapore	.....	16,790	14,271
Switzerland	.....	194,790	84,005
Thames & Mersey, Liverpool	.....	142,233	58,533
*Transatlantic, Berlin	.....	44,533	8,414
*Union, Hong Kong	.....	36,891	39,703
Union, Liverpool	.....	301,750	195,642
Universal, London	.....	35,875	30,821
Yangtze, Shanghai	.....	14,817	20,006
Total	.....	\$1,989,505	\$968,527
Total marine companies	.....	7,953,340	4,656,203

#### FIRE-MARINE COMPANIES.

	Premiums.	Losses.
Etna, Hartford	.....	\$133,911
Allegheny, Pittsburgh	.....	448
American, Boston	.....	64,931
Anglo-Nevada, S. F.	.....	3,826
Atlantic, R. I.	.....	496
Birmingham, Pittsburgh	.....	982
Boatmans, Pittsburgh	.....	6,572
Boylston, Boston	.....	90,956
California, S. F.	.....	85,672
Cash, Pittsburgh	.....	386
Citizens, St. Louis	.....	3,709



Citizens, Cincinnati.....	4,265	4,579
Citizens, Pittsburgh.....	3,881	.....
City, Pittsburgh.....	5,784	.....
Commercial, S. F.....	33,977	17,388
Continental, N. Y.....	597,963	422,151
Delaware Mutual, Phila.....	292,968	142,791
Detroit.....	38,053	20,851
Equitable, Providence.....	16,932	10,197
Exchange, N. Y.....	45,064	21,520
Firemans Fund, S. F.....	189,781	147,457
Firemen's, N. Y.....	562	.....
Greenwich, N. Y.....	135,215	59,675
Ins. Co. of N. America, Phila.	1,387,559	1,227,482
Ins. Co. of State of Pa., Phila.	53,053	68,940
Louisville Underwriters, Ky.	88,042	66,573
Manufacturers & Merchants, Pittsburgh.....	2,166	.....
Marine, St. Louis.....	10,721	3,504
Mercantile, Cleveland.....	48,836	27,516
Mercantile, Boston.....	46,266	41,765
Merchants, Boston.....	21,010	9,255
Merchants, Providence.....	2,674	3,019
Nassau, N. Y.....	1,064	395
Niptune, Boston.....	7,598	1,064
New Orleans (on Coast).....	9,208	.....
Northwestern National, Mil- waukee.....	10,220	9,951
Phoenix Brooklyn.....	1,120,309	944,680
Pittsburgh.....	655	.....
Providence-Washington, R. I.	305,878	248,283
St. Paul.....	69,823	49,112
Security, New Haven.....	48,859	35,073
Sun, S. F.....	61,670	34,900
Traders, Chicago.....	4,167	123
Union, S. F.....	86,170	68,901
Union, Phila.....	162,436	193,754
United States, Phila.....	10,232	4,523
Washington, Boston.....	205,241	169,398
Western, Pittsburgh.....	1,696	.....
Total domestic fire-marine.	\$5,521,887	\$4,296,963
British America, Toronto.....	54,415	22,413
Commercial Union, London..	50,919	26,072
*New Zealand.....	34,283	5,693
*South British & National, N.Z.	46,977	22,056
*Union, N. Z.....	25,385	2,880
*Western, Toronto.....	108,603	60,515
Total foreign fire-marine..	\$320,582	\$139,629
Total fire-marine.....	5,842,469	4,436,592
Grand marine and inland total.....	13,795,809	9,092,795

## LOSSES TO PREMIUMS.

Domestic marine companies.....	61.87 per cent.
Foreign marine companies.....	48.66 per cent.
Total marine companies.....	53.66 per cent.
Fire-marine companies.....	75.96 per cent.
Total marine and inland business..	65.88 per cent.

\*Pacific Coast only.

Assessment insurance companies are "rapidly gaining ground"—in the cemeteries.—*Weekly Statement.*

## Underwriting in Honolulu.

Honolulu, the capital of the Sandwich or Hawaiian Islands, is a thriving city of about 20,000 inhabitants. It covers a large area of ground, and abounds in handsome and substantial buildings. The fire department is a fairly good one, consisting of four steam engines, hose carts and plenty of hose. The system is a volunteer one, however. The water supply is ample, and there are, in addition, several capacious cisterns. Large mains and more hydrants are needed on side streets, and greater protection should be extended to the residence portion of the city, which extends several miles. There is some talk of purchasing two chemical engines for the suburbs, where they would be very serviceable.

The recent disastrous fire in Honolulu has resulted in the extension of the fire limits over a large portion of the thirty-five acres of the burnt district. The fire laws are very strict. The buildings must be of brick and roofed with metal or dirt, and iron supports are required. The burnt district is being rapidly rebuilt, as fast as bricks can be obtained from California. Within the new fire limits, the buildings in course of erection, or designed, are generally of a superior character; but beyond the fire limits, the burnt district has been compactly rebuilt of frame by the Chinese and natives. The streets, however, have been widened to 50 and 60 feet.

W. P. Thomas, of this city, special agent with W. J. Callingham, visited Honolulu in May, after the great fire, to adjust losses for several companies, and while there called a meeting to organize a local board of underwriters. All the agents, with two or three exceptions, are merchants, and it was therefore up-hill work to convince them of the utility of such an organization. The organization was finally effected, and F. A. Schaefer, agent of the Hamburg-Bremen, was elected President, and A. Yaeger, representing Manager Dornin's agency, was elected Secretary. Committees on Rates and Deviations were also appointed. Mr. Thomas submitted a constitution, modeled after that of the old San Francisco Board, but adapted to Honolulu. It was adopted.

The table of rates prepared by Mr. Thomas will probably be modified in some respects, but no reduction in the average rates now agreed upon is probable.

There has heretofore been some very reckless underwriting in the city, risks being accepted without an intelligent consideration of the hazard, and rates have been too low. The new board, if properly managed and sustained, will remedy these evils. Taking into consideration the enlarged fire limits, the widened streets, the better class of buildings, the larger water mains, and the new board, the future of underwriting in Honolulu is very encouraging.

### Fire Underwriters' Association of the Northwest.

The next annual meeting of the Fire Underwriters' Association of the Northwest will be held in Chicago on September 8th and 9th. There will be an annual address on "Facts and Figures," a most soul-stirring topic, and the man in the observatory will let us know "The Outlook." Everybody is expected to join in a discussion of that new problem, "What can be done to reduce fire losses?" Of course a paper will be read on "Insurance;" it would not do to ignore that subject wholly. Much time will be consumed in answering the question, "What are the main causes of unfriendly legislation?" a question that can be answered in one word, the "lobby." The "Local Agent as a Special" will receive special attention and a black eye. "Can the present agency system be improved?" will be answered in the negative, we suppose, else the word "how" would have been prefixed. Experts will lecture on "Architecture and Fire Insurance" and "Electric Lighting and Aerial Wires," but before the lecturers are turned loose, the convention will be permitted to "brace up" during an intermission. During the second day an adjuster will read a paper on "Adjustments and Adjusters," and he will be followed by a general discussion of the "Insurance Contract," a subject specially fitted to arouse the flagging enthusiasm of those present. An attorney will "whoop up"

things and stimulate the general feeling of exhilaration with a paper on "The tendency of insurance decisions upon the insurance contract." Papers will be read on "State Boards" and "Shutters," and President L. L. Bromwell, of the California Insurance Company, will furnish a paper entitled a "Voice from the Pacific." Co-insurance, losses, irregular competition, and the recording agency system will be discussed.

### Queer Names.

While reviewing the fire losses printed in the COAST REVIEW, during the past six months, we were struck with the number of quaint and absurd names of towns, villages and counties in which fires have occurred. Many of these names are peculiar to the Pacific Coast, such as the names bestowed by miners. Others are musical Indian names, and many, notably in Southern California, are Spanish, and though familiar to us, are strange and unpronounceable to Eastern people. Our Grand Army visitors are learning to say San Jose (San Hozay) with the air of a pioneer, but we have yet to hear of one who correctly pronounces Pajaro, when he discusses his route to Monterey.

Turning back over the bound volumes of the COAST REVIEW, we stumble on so many strange and amusing names that we select a number of them to beguile our readers for a brief moment. Among the animals represented are Black Bear, Grizzly, Red Dog, Antelope, Coyote, Pony and Buzzard. There is a Red Elephant, but "nary" a white elephant, although many a mining company had one. Here is a Bumble Bee, and on the following page is Rooster Rock. Looking Glass was doubtless named by some explorer from the right little, tight little island of England, where a "mirror" is unknown. What villain called a hamlet Cutta Bull, is, perhaps fortunately for him, unknown. Sweet Home must have been bestowed by some domestic character, though it may have been given in a spirit of bitter irony. If the reader will consult a map he will find that the oddest and most characteristic names are not on railroad

lines; for it seems to have been the policy of the companies to give staid and respectable names to their new stations. We can not say that there is, upon the whole, any improvement, for it is the ambition of some of the minor officers to perpetuate their names by giving them to new villages and stations. Certainly Babcock is not so pretty as Blue Mound, for which it was substituted; while Simpson, and Brownsboro, and Bakersfield, and Bartlett Springs, and Clarkville, and Jonesville and Smithtown, though doubtless named after worthy gentlemen, have no poetical associations or suggestions to recommend them. Enchanted Prairie, Glad Tidings, Wild Flower, and similar names are infinitely more agreeable, and even Long Tom and Yankee Jims are no worse. What a flavor of mining life there is in such names as Ruby, Tellurium, Bullion, Coarse Gold, Bonanza, Gold Run, Pay Streak, and all sorts of Gulches and Bars. The rough life and the rougher character of many of the miners in the old days are, in a measure, indicated by such coarse names as Hell's Delight, Shirt Tail Canyon, Hangtown, Jackass Gulch, Bung-hole, Whisky Hill, etc. There is a whiff of hard times, of struggle and despair in Poverty Hill, Forlorn Hope, Disappointment and Starveout, and we turn with pleasure to Lucky, New Hope, Happy Camp and Rich Bar. There was undoubtedly a great deal of blood-letting in Mosquito Gulch, and despite their names, always plenty of "Kentucky wine," at "two-bits" a drink, in Dry Camp and Dry Diggins. Fiddletown must have been noted for its "grand balls," and, without any stretch of the imagination, we can hear the long, lank caller, perched on a whisky barrel, yelling "allemand left," or see him crawling behind his fragrant perch to dodge the pistol balls during an argument between the dancers and the musicians. Prominent objects and minor incidents, probably gave rise to such names as Skull, Wagon Tire, Hay Stack, Hay Fork, Grindstone, Burnt Book, Big Bug, Horse Tank, Fire Cap, Pigeon Point, You Bet, Slide, Iron Rod, Rawhide, Seven Palms and Bake Oven. Sheep Ranch is a poor name for a town of a thousand population,

and Robbing Ranch is worse. Tombstone has a dolorous sound, but it has six or seven thousand inhabitants, who are contented to be Tombstones. The presence of the railroad is indicated by Big Cut and Sand Cut. There are many other strange or funny names, such as Soldiers' Hole, Deep Hole, Buckhorn, Skum, Contention, Chug Water, Rough and Ready, String Town, Dutch Flat, Steptoe, Zem Zem Squak, Hat Creek, where some roving fellow lost or found a hat, perhaps; Selah, named by some irreverent vagabond; Waterpockets and Waterholes by the score, revealing the arid character of the country; Skipanon, by fellows whom the vigilance committee forced to "skip" anon, possibly; Yreka, famous at least for its "Yreka Bakery" sign, which reads the same, backward or forward; and then that name which so shocked the traveler from "way down East" when he asked the little girl by the roadside, "What town is this?" and received the profane reply, "Yuba Dam." There are, besides, the pretty names of Sunshine and Silver Bow, and such Indian names as Umpqua, Owyhee, Klickitat, Yakima, Umatilla, Skagit, Spokane, and the milifuous Wallula and Walla Walla. There are more odd names, like Greenhorn, Cross Keys, Cross Hollows, Devil's Creek, Devil's Slide—but we will close the list with Alf Hours, which we fear was named after some cross-roads doggerly that dealt out liquid poison at "all hours" of the day and night.

The decision of a court should not have been required to determine the meaning of "contiguous," a word carelessly incorporated in many policies, in the clause prohibiting the erection of buildings without permission. "Contiguous" is derived from the same radical as "contact," and means literally and in correct usage, to touch. A building several feet from the insured building is not contiguous, but adjacent. The Minnesota Supreme Court has been called upon to decide the meaning of "contiguous," and it has ruled that a building twenty feet away cannot be construed as contiguous. That was a costly method of consulting an unabridged dictionary.



## Coast Fire Record for Six Months.

We present in the adjoining column a table of the Pacific Coast fire losses for six months, by States and Territories. The figures are made up from the losses reported to the COAST REVIEW, and may be relied on as substantially correct. In Idaho and Utah the losses were nominal, and are therefore omitted. Losses in New Mexico and Colorado are not reported. We add the totals for the first six months of 1886, 1885 and 1884, for the purposes of comparison. The semi-annual losses have increased 47 per cent. this year, as compared with the losses for the same period for last year, and that increase was in San Francisco largely, and in Oregon and Montana to a moderate degree. If the remaining six months give us the same San Francisco losses, fully 80 per cent. of the city premiums will be consumed, leaving an average deficit of 15 per cent. after paying expenses. The people of San Francisco can not reasonably ask for lower rates.

The reader will bear in mind, in reviewing the table, that about 6 per cent. should be added for unreported losses.

The number of fires has increased nearly 100, and the insurance losses are about \$425,000 greater, a gain of 42 per cent. The premium income has made a gain of about 18 per cent only, leaving an unfavorable difference of 24 per cent. as the average net increase in losses on the Pacific Coast for the first six months of 1886. If we add the \$340,000 losses at the Vancouver and Honolulu fires, in which many companies in this field suffered more or less heavily, the total losses are over \$1,800,000.

The outlook for the year is not flattering. During the past four years, and perhaps longer, the second half of the year has always shown greater losses than the first half. The losses during the last six months of 1885, 1884, 1883 and 1882 were respectively, in round numbers, \$1,485,000, \$1,563,000, \$1,468,000 and \$1,450,000. We can, therefore, estimate the Coast losses for 1886, with a reasonable degree of certainty, at about \$3,200,000. We hazard the "guess" that the Coast loss ratio will average about 50 per cent. this year.

## Analysis of Pacific Coast Insurance Losses for Six Months.

	TOTALS FOR SIX MONTHS.											
	1886			1885			1884					
	No. Fires.	Loss.	June.	No. Fires.	Loss.	June.	No. Fires.	Loss.	June.	No. Fires.	Loss.	June.
San Francisco.....	47,877	\$13,537	\$43,891	\$313,023	\$40,894	\$350,495	117	\$309,717	\$80,495	78	\$189,905	\$155,704
California (San Francisco excepted)....	22,321	43,445	34,534	48,972	52,983	154,070	279	356,325	154,070	260	622,943	351,754
Total California.....	\$70,198	\$56,982	\$78,425	\$361,995	\$93,877	\$504,565	396	\$1,165,042	\$504,565	338	\$812,848	\$487,458
Oregon.....	\$3,507	\$6,418	\$7,700	\$5,207	\$9,532	\$4,720	35	\$67,084	\$4,720	44	\$49,631	\$179,274
Washington.....	19,155	12,033	22,497	1,600	12,936	7,835	41	62,156	7,835	44	105,040	141,776
Nevada.....	18,164	4,000	1,527	1,527	1,527	.....	6	20,091	.....	6	10,667	28,454
Montana.....	7,400	14,266	11,539	10,600	18,240	5,601	39	67,885	.....	15	.....	.....
Arizona.....	1,900	3,550	3,050	3,050	75,118	4,900	14	88,118	.....	15	70,440	73,000
Total.....	\$106,924	\$93,789	\$120,161	\$382,879	\$239,703	\$527,621	531	\$1,471,077	\$527,621	447	\$1,048,626	\$309,942

### Value of New Business in Life Insurance.

D. H. Wells, actuary of the Connecticut Mutual Life Ins. Co., in a recent number of the *Weekly Underwriter*, discusses the value of new business to the existing membership of a well established mutual life insurance company. Such value is to be found, if at all, he says, in three things, to wit:

*First*—A reduction of the natural fluctuation of the death rate, due to the increase of membership.

*Second*.—A decrease in the expense ratio, due to the increased business.

*Third*.—A reduction of the death rate, due to the introduction of newly selected lives.

Assuming that the existing membership is as well selected and as well distributed over healthy sections as the proposed additions, and vice versa, Mr. W. states the question: Having a given number of lives, each subject to a given chance of death, what effect will be produced upon the mortality by an increase in the number of such lives? Applying the probabilities to twenty thousand lives, he concludes that the gain to the existing membership of a well established mutual company by the reduction of the natural fluctuations of the death rate by an increase in membership, is too small to be worthy of mention.

With regard to a decreased future loss ratio, he declares that the value of new business lies only in the reduction of the expense ratio necessary to the future care of business already on the books.

As to the reduction of the death rate, he concludes that the gain, if any, resulting to the existing membership of a mutual company from a mortality (after five years' insurance) more favorable than that prevailing among the membership as a whole, is exceedingly small.

Mr. Wells argues that the new entrants should pay the expenses of the new business. We quote:

"It does not follow that the obtaining of new business at a greater cost than the sum named is unwarranted or improper. Sound, reliable, legitimate life insurance is of great value to the individual and the community;

and such expense as is necessarily involved in bringing it to the reasonable attention of the insuring public is right and proper. *But the value of the insurance so placed is to those obtaining it, and not to those already supplied.* The attempt to justify enormous expense to the existing membership in the obtaining of new business by the pretence of vast benefits to accrue to them from such new business, has very little basis to rest upon. If the cost of new business to the existing membership of a well established and well conditioned mutual company exceeds the amount found, such new business is a detriment and not a benefit to them. We may go a step further. New insurers are entitled to the advantage arising from the decreased mortality among their number, but they are entitled to no other advantage. Any excess in the cost of the business over that of caring for existing business, beyond the gain from decreased mortality, they should be required to pay. They are not entitled to the equivalent of the saving, if any, from a decreased future expense ratio, for they will in future share in common with the older members in the benefit of such saving."

### Life Insurance in Great Britain and Greater Britain.

A recent number of the *Australasian Insurance and Banking Record* contains an interesting statistical article under the above caption. By "Greater Britain" is meant the United States and the British Colonies. We do not remember seeing such compilations recently, as the following, and therefore give them place in our columns in the assurance that they will be interesting to both life and fire readers. The figures are for the business of 1884, the British figures for 1885 not being available:

Offices.	Funds at commencement of year.	INCOME.		Totals.
		Premium income including consideration for annuities.	Interest and other receipts.	
British (101)	£143,161,609	16,463,803	6,319,751	165,945,163
U. States (47)	100,327,951	15,120,793	5,264,153	120,712,897
Canadian (9)	1,936,268	226,501	99,815	2,262,584
Aust'rian (12)	7,808,888	1,628,140	511,901	9,948,929
	£253,234,716	33,439,237	12,195,620	298,869,573

Offices.	OUTGO.			
	Payments to Policy-holders.	Commission and Expenses of Management.	Taxes, Dividends to Shareholders, &c.	Funds at End of Year.
British	£13,973,621	3,150,285	737,673	143,083,534
United States	12,243,358	3,239,991	1,294,665	103,934,913
Canadian	134,289	101,915	11,764	2,014,616
Australasian	790,957	394,556	....	8,763,416
	£27,142,194	6,886,748	2,044,102	262,796,529

## RATE OF INTEREST REALIZED ON AVERAGE FUND.

British offices.....	4.414 per cent.
United States offices.....	5.2469 "
Canadian offices.....	5.1650 "
Australasian offices.....	6.5554 "

## RATIOS OF EXPENSES TO PREMIUM INCOME AND TO TOTAL INCOME.

	To Premium Income.	To Total Income.
British offices.....	19.905 per cent.	13.827 per cent.
United States offices...	21.427 "	15.894 "
Canadian offices.....	45.442 "	31.232 "
Australasian offices....	24.346 "	18.437 "

Resisting Claims.

As a matter of fact, the mere circumstance of an insurance company coming into court at all proves that it must feel enormously strong, at least morally and possibly legally, before it will run any such risk. In this world, individuals—who, after all, are the corporation—are anxious to avoid personal trouble as much as possible, and more especially in a bad case. It must, therefore, be a very powerful inducement which moves a manager or a board of directors of any insurance company to take the enormous trouble, with all the expense and responsibility, which is involved in going into a court of law and fighting day after day, even with all the power and legal skill available, against any claim made, which *prima facie* shows not the faintest idea of justice in it. Those who criticise life or fire offices for resisting claims should suspend their judgment, for we are sure that, in matters of this kind, there will be found a tremendous amount of evidence which never comes into court at all, with information available which, though not legally demonstrated, yet would be sufficient to justify any private individual in shaping his course with precision in the gravest crises of his own life. That an insurance company so frequently wins its case is strong proof that the unsuccessful

ones would certainly have been won if the equity instead of the mere law of the case had been considered. The peculiarity of English law is, however, that the presumption of fraud is put on the wrong person. Instead of compelling the plaintiff to justify his claim, the insurance company is compelled to prove the injustice of it, which is quite another matter. It involves a great deal more trouble than can be supposed, to prove that the sun rose on any particular morning. For this to be demonstrated to a judge in the ordinary legal way, would involve an amount of trouble hardly credible to those who have not passed through the fiery ordeal of a law case. When, therefore, it is found that insurance companies so constantly win their cases, it becomes obvious that they have a good deal more right and justice on their side than is generally supposed to exist. Under any circumstances, considering the enormous amount of money which is paid away every year, very few cases come into court; and considering the very large proportion of the cases in which the companies are the victors, it is clear that a refusal to pay a proper and morally just claim is something which has yet to be discovered in the history of either fire or life insurance companies.—*London Review.*

The East.

The impeachment case of Auditor Brown, of Iowa, has ended in his acquittal and reinstatement. The approval of Actuary Vail's outrageous charges for examining Iowa insurance companies was one of the thirty counts. Of fifty Senators, twenty-one voted guilty. The trial lasted eight weeks, and cost \$30,000. We know little or nothing of the merits of the case, but as Brown is "on top," we congratulate him.

The Missouri Insurance Commissioner will go before the grand jury with a statement as to underground insurance in St. Louis. Guilty agents are looking up routes to various springs.

Many vessels plying on the great lakes were insured in the Anglo-American, of



Washington, it is said. One of them, the schooner *America*, was wrecked a few days ago, entailing a loss of \$32,000 to the owner, whose all was invested in her. The loss of the schooner beggars him, for his policy in the Anglo-American is not worth five cents. The insurance was obtained through Capt. W. H. Rounds, surveyor of hulls for the Inland Lloyds, who repeatedly informed the *America's* owner and others that the Anglo-American was a sound company. Rounds should be made to smart for his rascality.

The New York *Review* is informed that several of the best managed marine insurance companies have advanced their rates for insuring petroleum oil. The losses on this class of risks have been large of late; and some of the more experienced marine underwriters say that there is no money in the business. Not only this, but the indications are that, unless the rates of premium are largely increased, the companies doing this business must inevitably net a serious loss. Most of the vessels engaged in the trade (to Europe, especially) are old; and, even upon the new vessels, insured at current rates, these rates have proved to be inadequate.

Grubb, Paxton & Co., of Indianapolis, are soliciting for a whole litter of foreign wildcats—the *Enterprise*, the *Atlantic*, the *Traders and General*, the *Amicable*, the *John Bull*, the *Empire*, the *Equity*, of England; the *Patria Belgia*, of Belgium; and the *Equitable*, of Paris—all frauds, without assets enough to stock a corner grocery. Why does not James Rice, the Indiana Auditor, suppress Grubb, Paxton & Co.? None of these companies is authorized to do business in Indiana, yet Grubb, Paxton & Co. are writing policies in them and swindling policyholders, under the nose of Mr. Rice. Perhaps Mr. Rice is not nearly so much to blame as the local insurance men of Indianapolis.

The oldest fire engine in the United States, and probably in America, is in possession of the William Penn Hose Company, of Philadelphia. The tub is 3 feet 8 inches

long, 1 foot 8 inches wide, and 1 foot 8 inches deep. The wheels are solid blocks of wood, 1 foot 8 inches in diameter, and about 4 inches thick. The cylinders are  $4\frac{1}{2}$  inches in diameter, with a stroke of  $6\frac{1}{2}$  inches. The internal construction is the same as in the hand engines of the present day, with air chamber, waterway and suction. There is no maker's name on it, but it was built by either Newsham or Fowke, of London. The engine was accepted by the company in Salem, April 2, 1749, and the company took the name of the Union Engine Company. It was kept in use until April, 1789—a half century of active service—when one called the *Essex* took its place.

Two New York co-operatives have just failed: the Golden Eagle Association of Brooklyn, and the National Benefit Society of New York. The former was two years old, and the latter four years.

The Chicago City Council has passed an ordinance requiring the other-State and foreign fire insurance companies doing business in the city, to pay a license fee of two per cent. of their gross receipts in the city. Under a similar ordinance two years ago the companies were paying a two per cent. tax, but they fought it in the courts, and it was decided to be illegal. It is believed that they will resist this new attempt.

An Ohio woman, whose house was on fire, saved her piano only, and played jolly airs on it while her property was burning. The piano was not insured; the rest was. The moral is certainly not: insure the piano.

The Mutual Fire, of New York, which makes a specialty of writing city lines, and boasts of its inspection system, lost \$40,000 at a lumber fire in St. Louis. The lumberyard was a third of a mile away from a hydrant or water of any kind, and the loss was therefore total. Risks placed by the stock companies did not exceed \$5,000 each.

When the political wheel turned round in Ohio, a very good Insurance Superin-

tendent was forced to step down and out, and a very ordinary one took his place. The political wheel again turned round, and the present Superintendent must give way to another politician of the opposite political faith.

A load of hay was being driven into the big barn of Schuyler Parish, of Naples, N. Y., the other day, when an iron bolt of the rack pressed so hard on a wheel that the tire struck fire and the hay was ignited. The driver had the presence of mind to back the load out of the barn and jump down. Then the frightened team ran through the village with the blazing load, setting fire to a bridge on the way. When they were stopped all of the wagon had been burnt but the front wheels.

### The Celebrated Crotty Conspiracy.

#### THE SCHEME TO DEFRAUD LIFE COMPANIES AGAIN DEFEATED.

Many of our readers doubtless remember the attempt to swindle the Union Mutual and the New York Life insurance companies, in this city in January, 1883, by the substitution of a healthy man for a consumptive, at the medical examination of the alleged applicant. The insurance was upon the life of Michael J. O'Brien, of Lockport, Cal., and the policies were payable to Michael Crotty, of San Francisco, who claimed to be a creditor of the insured. Of the insurance thus fraudulently obtained, \$10,000 was in the Union Mutual and \$5,000 in the New York Life.

The real Michael O'Brien died in Boston on September 15, 1883, less than eight months after the simulated Michael O'Brien had passed a rigid examination by two physicians. Crotty in due time presented his claims; but, fortunately, in the meantime the companies' representatives in this city had received a hint which prompted a thorough investigation. The result was the most convincing evidence of a cunning though clumsy scheme to defraud the companies. Payment of the claims was of course refused, and Crotty thereupon brought suit, first against the New York life, and then against the Union Mutual Life of Maine.

At the first trial of this case, in the United States Circuit Court, in February, 1885, a great deal of circumstantial testimony was produced by the defense. The jury were absent only a few minutes, and returned with a verdict for the defendant company. At the second trial, last month, in the same Court, the plaintiff presented the application, the policy, the proofs of death, and premium receipts, but offered no testimony. The defendant's counsel claimed that plaintiff had failed to make out a case, and without offering any testimony, moved that the Court instruct the jury to bring in a verdict for the defendant company. Such instructions were given, and the jury returned a verdict accordingly. The plaintiff's counsel has since filed a motion for a new trial, and talks of appealing to the U. S. Supreme Court.

The testimony adduced at the first trial, by the defendant company, the New York Life, was simply overwhelming, though largely circumstantial. Further testimony was afterward secured, and held in reserve at the second trial, but it was not needed. A circumstantial account of the case and an abridgement of the testimony were printed in the COAST REVIEW for April, 1885. The case is such a remarkable one, and so well illustrates the scheming villainy which vigilance alone will discover and the courts must foil, that we epitomize the account already published, as follows:

Michael J. O'Brien was a bricklayer who, lived near Lockport, Cal., with the widow of a cousin, and assisted her in managing a ranch. Crotty claims that he lent O'Brien six or seven thousand dollars, in small sums at various times, to be invested in ranch improvements. He lent the money, he says, without security. Crotty is also a bricklayer, and if he ever accumulated several thousand dollars he was careful to conceal the fact from friends and tax-gatherers. All the testimony to prove that he was O'Brien's creditor was offered by Crotty and a brother and nephew. There were no notes nor disinterested witnesses. In the deposition made on his death-bed, O'Brien swore that he did not owe Crotty, and that he never applied for life insurance in either of the defendant companies.

Several physicians were prepared to testify that Michael J. O'Brien had an advanced case of phthisis or consumption, before the date it was alleged he was insured, but plaintiff's counsel objected to the introduction of such testimony, and the court was obliged to sustain the objection, under Section 1881, Code of Civil Procedure, which excludes information derived by physicians from their patients. Twelve or fifteen competent witnesses testified that Michael J. O'Brien was a consumptive and a very sick man immediately prior and subsequent to the 22d of January, 1883, when it was alleged that he underwent a medical examination by the life companies' physician. Dr. Plummer of San Francisco was prepared to testify that deceased had excessive tubercular infiltration of the right lung on the 4th of January, 1883, eighteen days before the simulated Michael J. O'Brien passed an examination. In March, 1883, Mr. O'Brien allowed a policy in the Pacific Mutual to lapse, and gave as his reasons, his poverty, and the fact that he had been sick with consumption since the previous October. The false Michael was taller, weighed thirty pounds more, was in superb health and had sound lungs. There were, in addition, serious discrepancies in the applications, those made by the impostor not corresponding in important particulars with that made by the genuine Michael to the Pacific Mutual; and, besides, Mr. O'Brien wrote to his agent at Stockton, on receiving an intimation of the existence of such insurance on his life, that there was "a mistake or a base scheme to harm him."

The forged signatures were brought into court and enlarged photograph copies taken. Experts in chirography testified that the signatures to the application made to the defendant companies, signed Michael O'Brien, were forgeries. It was also shown that Mr. O'Brien always included his middle name or initial in his signatures. The impostor neglected to do this. He also omitted the apostrophe between the O and B, and in only one instance united these letters, as the genuine Michael invariably did. That the reader may make the comparison, and see for himself the amount of skill displayed by the forger, we reproduce

five of the signatures. In reducing the size the engraver modified the prominent and distinguishing characteristics somewhat, and did not bring out the Greek "e" in the second O'Brien, in the simulated signatures, as clearly as in the original.

## GENUINE SIGNATURES.

*Michael James O'Brien*

*M. J. O'Brien*

## SIMULATED SIGNATURES.

*Michael O'Brien*

*Michael O'Brien*

*Michael O'Brien*

## Don't Be a Clam.

Open your mouth, or take up your pen, and tell what you know, or what you think, if you have any ideas. Have you any reasonable complaints to make, or practical suggestions to offer? Give them voice. Have you heard a good thing? Don't be selfish and keep it all to yourself. If you think your contribution is too valuable, or too bright, or too witty to be obscured in the ample pages of the *COAST REVIEW*, send it to the editor of the *Knapsack*, who appeals to you in the following complimentary language:

DEAR FRIENDS—It has been said that the *Knapsack* is a success. It has attracted the attention even of the "Press" of the country. Think of this with pride, my friend; who knows but that it may have been that rare bit of your own humorous or pathetic leaven which permeated the loaf. If you are one of those who have persistently ignored the *Knapsack* appeal, now is your time to contribute and share the glory of its greatness. It is never too late to take advantage of the credit of an anonymous contribution. At all events, friends of my youth and companions of my riper years, on you I depend for a discreet exposure of your brain. Send contributions at once, and relieve,

Yours truly,

GEO. F. GRANT,  
Editor *Knapsack*.



## The Sun Fire Office Must Comply with the California Law.

So SAY COMMISSIONER WADSWORTH AND THE ATTORNEY-GENERAL.

Section 612 of the Political Code of California requires detailed statements of the capital stock, assets, liabilities, etc., of every fire insurance company doing business in the State. Section 610 requires such statement, when filed by a foreign company, to be verified by the principal executive officer thereof. Section 611 requires other-State companies to file such statements annually, on or before the tenth day of March, and foreign companies on or before the first day of May. The purpose is plainly the exaction of the parent office statement of every foreign company, and not the statement of the American branch. The Sun Fire Office of London does not publish its statements, and when it applied for admission to California the statement of the United State branch was submitted. Commissioner Knight accepted this branch statement and issued a certificate of authority to the company. Previous to that time all foreign companies had complied with law. The COAST REVIEW, without discussing the merits of the law, took exceptions to Mr. Knight's ruling, and contended that the provisions of the law plainly required the filing of the parent office statement of foreign companies. The Attorney-General, in an opinion we print below, endorses the position of the COAST REVIEW.

On May 19th, Insurance Commissioner Wadsworth received the following complaint from Henry Perry, of San Francisco:

SAN FRANCISCO, May 19, 1886.

HON. J. C. L. WADSWORTH,

Insurance Commissioner of California.

CITY: DEAR SIR—Replying to your favor of the 11th inst., I desire to state that one of my clients has called my attention to the fact that the Sun Ins. Co. of London is doing an insurance business in California without having complied with the laws governing foreign insurance companies, in not having filed a proper statement as required by law.

The statement filed is deficient in the following particulars: First, that it fails to state the amount of capital stock subscribed; second, the amount paid in or engaged; third, its assets in detail; fourth, that the statement on file in your office is

not signed and acknowledged by the duly authorized officers of the company at the home office, but by a person residing in the State of New York, who holds a power of attorney for the United States only. In short, the statement filed is a United States branch statement, instead of a home office statement as prescribed by law.

As a citizen of this State I protest against the company above mentioned being permitted to continue underwriting in California until it has complied with the laws of this State, and I request you to withdraw its certificate of authority to do business in this State until it has complied with the laws of California governing foreign insurance companies.

Yours respectfully,

HENRY PERRY.

Commissioner Wadsworth notified Messrs. Hutchinson & Mann of the receipt of the foregoing letter, and announced his intention to investigate the matter. On June 17th he submitted Mr. Perry's letter to Attorney-General Marshall, and asked for a written opinion whether the statement filed by the Sun Fire Office was such a statement as the laws require. On the 10th of July Messrs. Hutchinson & Mann addressed the following communication to Commissioner Wadsworth:

SAN FRANCISCO, July 10, 1886.

HON. J. C. L. WADSWORTH,

Insurance Commissioner for California.

DEAR SIR—Referring to the letter of Mr. Henry Perry to you of May 19, 1886, concerning the Sun Fire Office Company of London, Eng., a copy of which letter we were permitted to take through your courtesy, we beg leave to reply as follows:

First. The writer of the letter who objects to the company being permitted to continue underwriting in California states that he is a citizen of this State, but his communication seems to carefully withhold from you the information as to whether he claims to be a policyholder of the company or to have any business with it, and also fails to inform you whether he has any interest in the matter, either direct or remote. We suppose, however, that the fact of Mr. Perry being a citizen is in itself sufficient to authorize him to arbitrarily make the inquiry that he does.

Second. Mr. Perry's grievance proceeds on the theory that the company has not filed the statement required by law, and, to adopt his own language, "in short, the statement filed is a U. S. branch statement, instead of a home office statement as required by law." We are informed that the insurance law does not in terms anywhere prescribe that the statement must be a home office statement, or a U. S. branch statement, or any other particular kind of a statement, but merely that "the statement must exhibit the condition and affairs of every such corporation, person, firm or association on the 31st day of December then

next preceding." It therefore rests with the Insurance Commissioner to say whether the statement contains what it should or not.

We are informed that the object of a statement is that the assets disclosed in it may be looked to for protection and security to the policyholders and those transacting business with the company, and that in the event of unpaid losses, or of the company not meeting its obligations, then these assets may be realized upon and the proceeds used to discharge its obligations. Can Mr. Perry tell us of what possible utility it would be, or who could be further secured, by setting out a statement which he calls a "home office statement" wherein there shall be enumerated a long line of assets not even in the United States, but all situated in a foreign land where the combined power of all the courts in America could not reach those assets or use them to discharge the American obligations of the company? The statement on file sets out in detail all assets in America.

Third. The fact exists that this company was authorized by your predecessor, Hon. Geo. A. Knight, as Insurance Commissioner, to transact insurance business in this State, and it holds the certificate of authority so to do from the Insurance Department of the State. We are informed that such certificate granted by the State can only be revoked through judicial process in the courts and in the name of the State.

The statement now on file in your office was accepted by your predecessor as being in compliance with the law, and we assume that having been thus accepted it would stand as such, until judicially declared to be invalid, and until the time arrives for another statement to be filed under the law. It is just possible that the insurance law of this State, for which your office is certainly not responsible, exacts the statement referred to by Mr. Perry; and if after a full consideration of the question, you should demand it, we will, at the proper time, do everything in our power to comply with such demand.

Awaiting your further advices, we remain

Yours respectfully,

HUTCHINSON & MANN,

General Managers of the Sun Fire Office

Company of London, for California.

On the 16th of July, the Attorney-General wrote the following letter to Commissioner Wadsworth, in reply to a request for a written opinion:

SACRAMENTO, July 16, 1886.

HON. J. C. L. WADSWORTH;

DEAR SIR—I have not replied to your letter of June 17th, because I have been absent from the city for the summer vacation. I have carefully compared the statement filed by the Sun Ins. Co. of London with the provision of the Code of California, and in my opinion it does not comply with its requirements. Mr. Perry's objection is well taken, since the *foreign company* applies for the certificate, the *foreign company* must make

the disclosure of its condition required by the Code, and the statement of the American branch is not sufficient. The section is so plain there is no room for construction or need for the citation of other sections to support my view of it.

As to your authority in the premises, it goes no further than to notify the delinquent company of the insufficiency of the statement, and to require it to cease underwriting in this State, till a lawful statement is filed. The authority of the Commissioner goes no further, as no power is given him to recall or cancel a certificate issued by his predecessor. Respectfully,

E. C. MARSHALL,

Attorney-General.

Upon the receipt of the opinion from the Attorney-General, Commissioner Wadsworth notified Messrs. Hutchinson & Mann to discontinue doing business for the Sun Fire Office until the filing of the statement required by law. The following is Mr. Wadsworth's letter:

SAN FRANCISCO, July 16, 1886.

MESSRS. HUTCHINSON & MANN,

Agents for California of the Sun

Fire Office of London, Eng.:

GENTLEMEN—I am in receipt of your favor of the 10th inst., replying to my communication of May 19, 1886, wherein I gave you notice of the complaint made by Mr. Henry Perry, that your company is doing an insurance business in California without having complied with the law of the State governing foreign insurance companies, in not having filed a proper statement, protesting against the company being permitted to continue such business, and requesting me to withdraw the certificate of authority until the law is complied with; also that I deemed it my duty to investigate the same.

I made a careful examination of the law and the statement filed, and came to the conclusion that the complaint made was in the main correct; but not desiring to rely upon my judgment alone, I called to my assistance the legal adviser of this Department, the Attorney-General of the State, the Hon. E. C. Marshall. I laid all the papers relating to the matter before him, requesting his opinion in writing concerning the same. The Attorney General has complied with my request. By his opinion (a copy of which I herewith inclose) he advises this Department that the Sun Fire Office Company of London has not filed the statement required by law. Therefore I hereby notify you to discontinue doing any insurance business in this State as agents or managers for the Sun Fire Office Company of London, England, until such time as the statement required by law has been filed in this office.

Yours respectfully,

J. C. L. WADSWORTH,  
Insurance Commissioner.

The required statement will probably be filed by the Sun Fire Office.

## FIRES.

The fire losses for the first seven months of 1885 were \$1,290,357, and for the first seven months of 1886, \$1,849,414.

August is starting out well. La Grande, Or., has had a \$25,000 insurance loss; Phoenix, A. T., a \$75,000 insurance loss; at Stockton, Cal., a lumber yard and planing mill were burned on the 6th inst., causing a loss of \$90,000; in San Benito county in this State, a great grain field fire destroyed barns, houses, implements and crops to an amount estimated at from \$80,000 to \$100,000, with a third of it insured; and on the 7th inst, twenty-seven buildings were burned in Miles City, Montana. At this rate the Coast loss ratio will be nearer 60 than 50 per cent. this year; but the companies can reasonably hope for a "let up" now.

July 7, San Francisco, frame dwelling:  
South British & National.....\$299

July 3, San Francisco, furniture in dwelling:  
Phoenix, London.....\$271

July 3, San Francisco, dwelling:  
Home Mutual.....\$150

July 13, San Francisco, furniture in dwelling:  
Commercial Union.....\$206

July 5, San Francisco, furniture:  
Western, San Francisco.....\$150

July 6, San Francisco, dwelling:  
Home Mutual.....\$265

July 6, San Francisco, merchandise:  
Sun, San Francisco.....\$400

July 6, San Francisco, frame dwelling:  
Prussian National.....\$461

July 2, San Francisco, frame dwelling and contents:  
Agricultural.....\$265

July 1, San Francisco, frame store building:  
Liverpool & London & Globe.....\$510

July 4, San Francisco, contents of building:  
Teutonia.....\$212

July 1, San Francisco, frame building:  
State Investment.....\$400

July 10, San Francisco, furniture stock:  
State Investment.....\$1,250

July 23, San Francisco, frame building:  
Oakland Home.....\$625  
Traders.....125

July 26, San Francisco, tannery:  
Phenix, Brooklyn.....\$2,500  
Merchants, New York.....700  
German, Illinois.....700  
Merchants, New Jersey.....700  
Springfield.....1,000  
Clinton.....700  
Concordia.....700  
Lion.....1,000  
Washington.....1,000  
American, Philadelphia.....1,250  
Orient.....1,000  
Fiermans Fund.....800

Total.....\$12,050

July 1, San Francisco: seeds:  
Oakland Home.....\$1,015  
Traders.....609

July 8, San Francisco, general fire:  
Transatlantic.....\$3,360  
Manchester.....300  
American, New Jersey.....925  
Caledonia.....845  
American, Philadelphia.....261  
New Hampshire.....2,381  
Liverpool & London & Globe.....260  
Etna.....300  
Pennsylvania, Philadelphia.....381  
Royal, Norwich Union & Lancashire.....283  
State Investment.....980  
Svea.....2,790  
Phoenix, London.....300  
Sun, New Orleans.....1,186  
New Zealand.....709

Total.....\$14,961

July 19, San Francisco, general fire:  
Helvetia.....\$1,293  
Hamburg-Bremen.....1,975  
Niagara.....950  
Liverpool & London & Globe.....150  
American, Phila.....170  
National, Hartford.....592  
Fire Ins. Ass'n, London.....863  
Southern California.....1,505  
New Hampshire.....262  
Transatlantic.....255  
Etna.....429  
Anglo-Nevada.....179  
New Zealand.....1,429

Total.....\$10,057

July 7, San Francisco, frame store buildings:  
Fiermans Fund.....\$1,200

July 5, San Francisco, dwellings:  
California.....\$95



July 27, near El Monte, Cal., grain in field:

Connecticut.....\$850

July 6, Tulare county, Cal., grain in field:

American-Central.....\$300

June 30, Independence, Cal., general fire (unreported last month):

South British & National.....\$9,250

City of London.....9,250

Royal, Norwich Union & Lancashire.....2,500

London & Provincial.....1,750

Commercial Union.....2,500

Union, S. F.....5,000

Liverpool & London & Globe.....21,500

Total.....\$51,750

June 25, Santa Barbara county Cal., grain in field:

Ins. Co. of North America.....\$205

July 24, Nevada City, Cal., dwelling:  
National, Hartford.....\$500

July 15, Stanislaus county, Cal., frame dwelling:

Phenix, Brooklyn.....\$759

July 14, Merced, Cal., warehouse and contents:

Royal, Norwich Union & Lancashire.....\$17,000

Caledonian.....5,000

American, N. J.....5,000

Total.....\$27,000

July 13, Merced, Cal., merchandise:  
National, Ireland.....\$411

July 15, Butte county, Cal., hay:  
Phenix, Brooklyn.....\$1,264

July 15, San Buenaventura, Cal., fruit dryer:

Anglo-Nevada.....\$1,716

Union, S. F.....1,800

London & Lancashire.....1,000

July 15, Brown's Valley, Yuba county, Cal., frame dwelling:

American, N. J.....\$722

July 20, San Bernardino, Cal., dwelling:

Royal, Norwich Union & Lancashire.....\$1,100

July 19, Grass Valley, Cal., stable:  
Howard.....\$262

July 2, Fresno, Cal., dwelling:  
Union, S. F.....\$350

July 5, Wright's Station, Cal., frame building:

Prussian National.....\$667

Oakland Home.....2,476

Traders.....695

July 2, Oakland, Cal., furniture:

Oakland Home.....\$238

July 7, Santa Cruz county, Cal., household furniture:

Lion.....\$800

July 4, San Francisco, furniture, etc.:  
Imperial, London, Northern & Queen.....\$100

July 6, Los Angeles, Cal., brewery property:

Washington.....\$897

July 5, Los Angeles, Cal., merchandise:  
Orient.....\$272

July 5, San Bernardino Co., Cal., frame dwelling:

Phenix, Brooklyn.....\$1,636

July 5, Alameda, Cal., furniture and apparel:

California.....\$228

July 8, Los Angeles Co., Cal., frame dwelling:

Phenix, Brooklyn.....\$1,702

July 5, Modesto, Cal., barn:

California.....\$100

July 7, Sutter Co., Cal., frame dwelling:  
Phenix, Brooklyn.....\$665

July 2, Stockton, Cal., frame dwelling:

California.....\$509

July 7, San Francisco, brick building:

Union, N. Z.....\$1,000

July 19, Fresno, Cal., hotel and general merchandise:

State Investment.....\$2,000

July 17, Stanislaus Co., Cal., dwelling:

Home Mutual.....\$750

July 12, Yolo Co., Cal., hotel:

Home Mutual.....\$2,000

July 11, Oakdale, Cal., dwelling:

State Investment.....\$300

July 21, Oakland, Cal., carriage factory:  
Oakland Home.....\$250

July 21, Oakland, Cal., box factory:  
Oakland Home.....\$700

July 8, Los Angeles Co., Cal., frame dwelling:

Phenix, Brooklyn.....\$1,702

July 4, Sacramento, Cal., frame dwelling:

Commercial, San Francisco.....\$300

July 5, San Bernardino Co., Cal., dwelling:

Connecticut.....\$318

July 7, Oroville, Cal., brick building:

Commercial Union.....\$1,600

July 11, Tuolumne, Cal., hay:	
State Investment.....	\$230
July 8, Tuolumne Co., Cal., frame dwelling:	
Phenix, Brooklyn.....	\$500
June 20, San Bernardino, Cal., frame building:	
State Investment.....	\$550
July 15, Santa Clara Co., Cal, stable:	
Agricultural.....	\$636
July 6, Oakland, Cal., photograph gallery:	
Oakland Home.....	\$473
July 31, Sacramento, Cal., building:	
Concordia.....	\$375
Springfield.....	375
July 7, Santa Clara Co., Cal., separator:	
Phenix, Brooklyn.....	\$700
July 3, Fresno, Cal., furniture:	
Commercial Union.....	\$500
July 5, Los Angeles, frame building, etc.:	
Phenix, London.....	\$900
Western, Toronto.....	300
July 3, Stanislaus county, Cal., grain in field:	
North British & Mercantile.....	\$120
German-American.....	120
July 7, near Selma, Cal., grain in field:	
Firemans Fund.....	\$190
July 13, Los Angeles county, Cal., grain in field:	
North British & Mercantile.....	\$895
German-American.....	895
July 9, Butte county, Cal., grain in field:	
Imperial, London, Northern & Queen.....	\$220
July 12, Visalia, Cal., grain in field:	
Firemans Fund.....	\$144
July 9, Sacramento county, Cal., grain in field:	
Etna.....	\$515
July 9, Los Angeles county, Cal., grain in field:	
Hartford.....	\$4,176
North British & Mercantile.....	666
German-American.....	499
July 11, Santa Clara county, Cal., grain in field:	
Etna.....	\$144
July 16, Stockton, Cal., grain in field:	
Firemans Fund.....	\$230
July 12, Colusa county, Cal, grain in field:	
Ins. Co. of North America.....	\$482

July 24, Fresno county, Cal., grain in field:	
German-American.....	\$265
North British & Mercantile.....	265
July 9, Colusa county, Cal., grain in field:	
Hartford.....	\$250
July 27, Los Angeles, Cal, grain in field:	
Firemans Fund.....	\$180
July 12, Tulare county, Cal., grain in field:	
California.....	\$1,200
July 2, Merced, Cal., grain in field:	
Atlas.....	\$125
National, Ireland.....	125
July 15, San Joaquin county, Cal., hay and grain:	
American, Phila.....	\$491
July 16, Red Bluff, Cal., grain in field:	
Orient.....	\$480
Washington.....	120
Lion.....	720
California.....	248
July 1, Tulare county, Cal., grain in field:	
London & Lancashire.....	\$350
July 27, Azoza, Cal., grain in field:	
Orient.....	\$796
Lion.....	1,596
Washington.....	796
July 7, Tulare county, Cal., grain in field:	
London & Lancashire.....	\$75
Ins. Co. of North America.....	196
July 14, San Jose, Cal., hay:	
Washington.....	\$320
July 28, San Bernardino county, Cal., grain in field:	
South British & National.....	\$250
City of London.....	250
July 3, San Diego, Cal., grain in field:	
Anglo-Nevada.....	\$308
July 9, near Willows, Cal., grain in field:	
Connecticut.....	\$482
Firemans Fund.....	965
July 14, Traver, Cal., grain in field:	
Commercial Union.....	\$160
July 9, Monterey, Cal., frame saloon:	
Liverpool & London & Globe.....	\$605
July 29, San Bernardino, Cal., fire in brick:	
Liverpool & London & Globe.....	\$146
July 5, Los Angeles, frame dwelling:	
Imperial, London, Northern & Queen.....	\$1,000
July 30, Santa Cruz Co., Cal., barn:	
Phenix.....	\$400

July 24, Red Bluff, Cal., frame dwelling,  
etc.:

Liverpool & London & Globe.....\$2,273

July 26, Tulare Co., Cal., frame dwelling:  
German-American.....\$225

July 26, Monterey Co., Cal., barn:  
Phenix, Brooklyn.....\$600

July 15, Livermore, Cal., hay:  
Orient.....\$200

July 5, Belmont, Cal., dwelling contents:  
Hamburg-Bremen.....\$2,965  
Royal, Norwich Union & Lancashire.....4,000

July 19, Madera, Cal., general fire:  
Svea.....\$2,950  
Scottish Union & National.....500  
National, Hartford.....500  
Commercial Union.....420  
Clinton.....1,000  
Concordia.....1,000  
Boston Underwriters.....700  
Home & Phenix.....30  
State Investment.....590  
Home Mutual.....500  
Sun.....700  
Hartford.....550  
Southern California.....5,300  
Fire Ins. Association, London.....904  
Teutonia.....750  
Citizens.....899  
New Orleans.....851  
Springfield.....1,000  
German, Illinois.....1,000  
Washington.....500  
Phenix, Brooklyn.....1,720  
Firemans Fund.....3,770  
Providence-Washington.....250  
Oakland Home.....3,200  
American, Philadelphia.....1,290  
Total.....\$30,874

July 8, Guerneville, Cal., general fire:

Niagara.....\$500  
Southern California.....1,800  
American Central.....1,140  
Union, San Francisco.....1,335  
California.....1,500  
Union, New Zealand.....1,500

Total.....\$7,775

July 23, Stockton, Cal., furniture factory:

Niagara.....\$1,000  
Scottish Union.....1,000  
Southern California.....1,000  
State Investment.....650  
Oakland Home.....400  
Pennsylvania.....750  
Phenix, Brooklyn.....2,750  
Lion.....400  
American, Philadelphia.....1,000

Total.....\$8,950

July 23, Stockton, Cal., general fire:

Phenix, London.....\$1,000  
Union, S. F.....840  
Agricultural.....100  
Citizens.....125  
Orient.....300  
Union, N. Z.....500  
Liverpool & London & Globe.....440  
Washington.....300  
Western, S. F.....600  
Williamsburg City.....104  
Manchester.....234

July 20, Stockton, Cal., lodging house,  
furniture, etc.:

Pacific.....\$287

July 20, Stockton, Cal., frame store  
building:

German-American.....\$1,000

July --, Stockton, Cal., frame dwelling:

Union, N. Z.....\$840

July 20, Stockton, Cal., cigar stock:

Phenix, London.....\$164

July 16, Stockton, Cal., saloon:

Hartford.....\$800

July 16, San Benito Co., Cal., barn and  
contents:

Home & Phenix.....\$855

July 11, Los Angeles county, Cal., grain  
in field:

London & Lancashire.....\$895

Anglo-Nevada.....223

Etna.....895

July 21, San Joaquin county, Cal., grain  
in field:

Pennsylvania, Phila.....\$110

American, Phila.....110

Phenix, Brooklyn.....165

July 9, Los Angeles county, Cal., grain  
in field:

Anglo-Nevada.....\$1,044

July 7, Hanford, Cal., grain in field:

Lion.....\$90

July 11, Stanislaus county, Cal., grain in  
field:

Anglo-Nevada.....\$143

July 5, Santa Barbara county, Cal., grain  
in field:

London & Lancashire.....\$195

Manchester.....250

July 21, Los Angeles county, Cal., grain  
in field:

Hartford.....\$190

July 13, Sacramento county, Cal., grain  
in field:

Manchester.....\$200



### July 14, Tulare county, Cal., grain in field:

German-American.....	\$238
North British & Mercantile.....	238

### July 15, San Joaquin county, Cal., grain in field:

State of Pennsylvania.....	\$179
Phenix, Brooklyn.....	537
Manchester.....	233
Pennsylvania, Phila.....	358

### July 15, Fresno, Cal., grain in field:

Scottish Union & National.....	\$100
National, Hartford.....	100

### July 6, San Jose, Cal., hotel, etc.:

Washington.....	\$582
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### July 6, Los Angeles, Cal., merchandise:

Washington.....	\$136
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### July 22, Alameda Co., Cal., frame dwelling:

London & Lancashire.....	\$240
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### July 23, Florin, Cal., barn and contents:

Bowery.....	\$725
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### July 11, Hanford, Cal., granary:

Scottish Union.....	\$106
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### July 27, Bakersfield, Cal., frame building:

American Central.....	\$500
Phenix, Brooklyn.....	1,250

### July 22, Alameda, Cal., planing mill and lumber:

Commercial Union.....	\$3,000
Southern California.....	1,500
American, Phila.....	1,000
Clinton.....	500
Springfield.....	500
Western, S. F.....	500
Phenix, Brooklyn.....	1,000
Imperial, London, Northern & Queen.....	300
Washington.....	800
Orient.....	800

Total.....\$9,900

### July 7, Solano Co., Cal., dwelling:

Home Mutual.....	\$750
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### July 11, San Bernardino, Cal., dwelling and barn:

Lion.....	\$250
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### July 4, San Rafael, Cal., boarding house:

Home Mutual.....	\$1,500
Liverpool & London & Globe.....	375

### July 21, Nevada City, Cal., frame dwelling:

Lion.....	\$588
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### July 20, Clarksville, Or., barn:

American, Philadelphia.....	\$125
Phenix, Brooklyn.....	125

### July 4, Santa Clara Co., Cal., hotel:

Home Mutual.....	\$1,080
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### July 20, Roseville, Cal., brick dwelling:

Home & Phenix.....	\$1,000
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### July 5, Los Angeles, Cal., ice factory:

Anglo Nevada.....	\$1,912
Phenix, London.....	637
British American.....	637
Western, Toronto.....	637

### July 19, Fresno, Cal., hotel:

Western, S. F.....	\$500
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### July 5, San Luis Obispo, Cal., general fire:

Scottish Union.....	\$1,500
Phenix, Brooklyn.....	315
German American.....	1,000
North British & Mercantile.....	1,000
Home & Phenix.....	625

### July 23, Shasta county, Cal., barn:

Phenix, Brooklyn.....	\$300
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### July 16, Oakland, Cal., cigar store:

Home & Phenix.....	\$275
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### July 11, Santa Cruz, Cal., brick building:

American Central.....	\$252
Northwestern National.....	252

### July 20, Plymouth, Cal., dwelling:

Connecticut.....	\$450
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### July 5, Butte City, M. T., frame building:

London & Lancashire.....	\$692
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### July 10, Astoria, Or., saloon and dwelling:

London & Lancashire.....	\$850
Manchester.....	850
Phenix, Brooklyn.....	600
Firemans Fund.....	1,000

### July 11, Helena, M. T., wearing apparel:

American, Philadelphia.....	\$140
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### July 6, Butte City, M. T., frame building:

Washington.....	\$500
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### July 11, Helena, M. T., flouring mill:

Lion.....	\$1,000
Washington.....	1,000

### July 23, Portland, Or., cannery and building:

Fire Ins. Association.....	\$1,437
London & Lancashire.....	2,875
Phenix, London.....	1,437
Royal, Norwich Union & Lancashire.....	4,500
National, New York.....	875
Firemans Fund.....	2,000

Total.....\$14,124

### July 6, Butte City, M. T., cordwood:

Lion.....	\$1,500
National, Hartford.....	120
Scottish Union.....	120

July 23, Pendleton, Or., merchandise and saloon:

Lion.....	\$442
Washington.....	221
Fire Ins. Association, London.....	274
Home Mutual.....	440
German-American.....	1,500
New Zealand.....	656
California.....	700
Union, San Francisco.....	820
Firemans Fund.....	1,000
Liverpool & London & Globe.....	150

Total.....\$6,203

July 23, Walla Walla, W. T., frame dwelling:

Lion.....	\$200
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July 2, Bisbee, A. T., general fire:

Washington.....	\$250
Lion.....	500
Connecticut.....	450
London & Provincial.....	500
California.....	650
Svea.....	3,200

Total.....\$5,500

July 14, Portland, Or., ferry boat:

Connecticut.....	\$217
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July 8, Laramie, frame building:

Washington.....	\$300
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July —, Portland, on steamer *Veto*:

California.....	\$1,000
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July 31, Washington county, Or., saw-mill:

Phenix, Brooklyn.....	\$2,000
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July 20, Miles City, M. T., wearing apparel:

Union, N. Z.....	\$175
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July 6, Summit, A. T., dwelling:

Springfield.....	\$1,700
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July 1, Tacoma, W. T., dwelling:

National. Ireland.....	\$150
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July 8, Helena, M. T., quartz mill, saloon, etc.:

Union, N. Z.....	\$600
Howard.....	230

July 7, Helena, M. T., frame building and machinery:

Commercial Union.....	\$1,500
South British & National.....	1,000
City of London.....	1,000

July 7, Helena, M. T., planing mill:

Connecticut.....	\$800
Lion.....	500
Phenix, Hartford.....	750
Washington.....	500
Scottish Union.....	1,000

July 10, Tacoma, W. T., woodenware factory:

Union, S. F.....	\$232
South British & National.....	231
Hamburg-Magdeburg.....	232

June 20, Livingston, M. T., buildings:

Commercial, S. F.....	\$147
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July 22, Westport, Or., warehouse:

Royal, Norwich Union & Lancashire.....	\$1,515
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July 8, Eureka, Nev., general fire:

Fire Ins. Ass'n, London.....	\$1,200
Scottish Union.....	800
Royal, Norwich Union & Lancashire.....	1,250

July 5, Colfax, W. T., dwelling:

National, Hartford.....	\$400
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July 6, Butte City, M. T., general merchandise:

Home & Phenix.....	\$128
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July 23, Portland, Or., insane asylum:

Western, S. F.....	\$1,437
State Investment.....	1,400

July 31, Portland, Or., frame barn and contents:

German-American.....	\$1,500
North British & Mercantile.....	1,500

July 11, Townsend, M. T., water power flour mill:

Home Mutual.....	\$1,000
London & Lancashire.....	1,500
Manchester.....	500
Connecticut.....	2,000
Union, S. F.....	1,000
Scottish Union.....	1,500

Total.....\$7,500

July 4, Park City, M. T., dwelling:

Hartford.....	\$600
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July 11, Wasco county, Or., dwelling:

Home & Phenix.....	\$2,000
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July 23, Marcopa county, A. T., grain in field:

Firemans Fund.....	\$1,000
Connecticut.....	430

July —, Washington Ter, frame building and machinery;

New Zealand.....	\$909
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July 26, Junction City, Or., frame dwelling:

North British & Mercantile.....	\$1,800
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July 27, Portland, Or., dwelling:

Phenix, Brooklyn.....	\$1,000
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July 10, Reno, Nev., dwelling:

Commercial Union.....	\$700
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July 20, Phenix, A. T., dwelling:

Springfield.....	\$1,000
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July 7, Washington, Ter., flour mill:  
State Investment.....\$1373

June 17, Seattle, W. T., dwelling:  
State Investment.....\$500

July 6, Cochise county, A. T., dwelling:  
Imperial, London, Northern & Queen.....\$4,500

July 8, Moleseno, W. T., saloon:  
H3me, N. Y.....\$615

July 3, Dayton, Nev., merchandise and  
saloon, hotel:

South British & National.....\$1,000

City of London.....1,000

Firemans Fund.....500

Bowery.....500

Hamburg-Bremen.....162

Niagara.....162

July 7, Meagher county, M. T., building  
and machinery:

South British and National.....\$1,000

City of London.....2,000

July 6, Butte City, M. T., frame building:  
Connecticut.....\$500

Grand Total.....\$378,337

### Grand Army Visitors.

Following are the names of many underwriters, members of the G. A. R., who visited San Francisco during the National Encampment of the Grand Army of the Republic:

Gen. L. A. Dickinson, Hartford; Col. Phil. A. Cheek, Baraboo, Wis.; Past Commander-in-Chief R. B. Heath, Philadelphia; C. S. Warren, Commander Department of Montana, Butte City; P. Y. Baker, Traver, Cal.; Past Commander-in-Chief Kountz, Toledo; P. H. Warfield, Healdsburg, Cal.; Geo. L. Voorhees, Vallejo, Cal.; Chas. Cook, Cloverdale, Cal.; John Knowles, San Diego, Cal.; J. A. Miller, Austin, Nev.; H. L. Fish, Reno, Nev.; E. G. Hursch, Roseburg, Or.; W. R. Duncan, Willows, Cal.; E. G. Wheelock, Santa Rosa, Cal.; P. W. Gillette, Ketchum, Idaho; J. R. Dunlap, Amador, Cal.; Capt. Thomas Price, Cayucos, Cal.; Dan McCool, Vallejo, Cal.; W. H. Peck, Lompoc, Cal.; John Taylor, Q. M. G., G. A. R., Phila.; Carl Strobel, Sacramento, Cal.; Geo. J. Roth, Rome, N. Y.; Henry Baker, Pres. Providence Mutual Fire, Providence, R. I.; F. Miller, Lebanon, Or.; C. W. Crocker, Alton, Ill.; D. B. Bush, Portland, Or.; Col.

J. B. Fuller, Marysville, Cal.; B. E. Hunt, Napa, Cal.; Chet. F. Wood, Napa, Cal.; R. Delappe, Maxwell, Cal.; Chas. Chenowith, Winnemucca, Nev.; W. H. Duffield, Arbuckle, Cal.; A. C. Kistler, Cedarville, Cal.; C. E. French, Santa Ana, Cal.; Maj. Hugh Anderson, Salt Lake, Utah; J. R. Miller, Central City, Colo.; W. H. Bonsall, New York.

### Personals.

EDWARD NILES, compact manager at Portland, was in the city last month.

W. H. BONSALE, business manager of the Spectator Company of New York, is in the city.

WM. J. LANDERS and A. E. MAGILL returned last month from a trip through the Pacific northwest.

JOSHUA T. WILLSON, Secretary of the Merchants' Mutual Ins. Co. of Baltimore, Md., visited this city last month.

THOMAS BENNETT returned last week from a trip through Oregon and Washington.

PAST COMMANDER-IN-CHIEF KOUNTZ, who has one of the largest local agencies in Toledo, Ohio, was a National Encampment visitor.

A. J. BRYANT, President of the State Investment and Insurance Company of this city, has been seriously ill during the past month.

E. W. SCOTT, JR., of New York City, arrived in this city last month, where he will make his future home. Mr. Scott is the son of E. W. Scott, vice-president of the Equitable Life Assurance Society of New York, and will engage in the company's service here as assistant cashier of the Pacific Department.

SAMUEL BATES of Merced, Charles Dohrmann of Stockton, A. L. Edwards of Virginia City, G. G. Johnson of Hollister, W. E. Smedley of Salt Lake City, C. W. Remsburg of Fresno, M. S. Niswander of Gilroy, F. R. Wallace, Helena, M. T.; R. G. O'Brien, Olympia, W. T.; C. W. Swain, Ione, Cal.; Charles Wells, Modesto, Cal.; and M. R. Hook, Red Bluff, Cal., were in the city Grand Army week.



CHAS. D. HAVEN and C. F. MULLI s visited Oregon, Washington Territory and the Yellowstone Park last month.

GEO. L. NORTH, cashier Pacific Department Equitable Life Assurance Society of New York, visited the "states" last month.

ROBT. B. BEATH, Secretary of the United Firemens Ins. Co. of Philadelphia, and Past Commander-in-Chief of the G. A. R., attended the National Encampment in this city.

W. P. THOMAS, who departed for Honolulu per steamer on the 19th of May to adjust losses incurred by several companies represented here, in the great fire, returned last month. He found that proofs for total loss had been made previous to his arrival, but in a number of cases reopened he found the losses far from total. The Honolulu agents do not understand the adjustment of losses.

### CHIPS.

—All the insurance journals of the country are full of quotations from Mr. Heald's recent address. It is not only an able and interesting document, but it helps to fill up the paper, these dull days.

—A fire in Oakland, recently, was extinguished by the timely application of blankets. The furniture was slightly damaged. Both the building and the furniture were insured in several companies. The loss on the furniture was duly paid, but the losing company presented a pro-rata bill for the loss on the blankets used in putting out the fire, to the companies carrying risks on the building, claiming that as the destruction of the blankets had saved the building, ordinary justice required a pro-rata division of the loss. Some of the companies paid their share cheerfully, but others denied all liability in equity. Their policies were not that sort of "blanket" policies. It seems to have been a case where, according to equity, the companies insuring the building might have stretched their notion of justice a trifle; but, as the blankets were also insured by the company carrying the furniture risk, there is at least room for a reasonable difference of opinion.

—At a recent meeting of the Underwriters Association of the Pacific, a cordial invitation was read from the Underwriters Association of the Northwest to attend the annual meeting to be held at Chicago on the 8th and 9th of September. The unusual number of fires about this time, it is thought, will prevent any of our Pacific adjusters from accepting the invitation.

—J. G. Conrad and J. D. Maxwell have purchased of Hoyt & Wickes the San Francisco general agency of the Oakland Home and the Traders insurance companies. They will operate under the firm name of Conrad & Maxwell, with the office of the San Francisco department at 421 California street, as heretofore. Mr. Maxwell has been engaged in insurance brokerage in this city for some time.

—Harry B. Wheaton, manager of the American Surety Co., of New York, for Messrs. Brown, Craig & Co., general agents, is pushing the business of the American Surety; also the Steam Boiler and Plate Glass companies with that energy which will result in a largely increased business for 1886.

—J. L. Fogg, for many years the Alameda County representative of the Mutual Life, of New York, and a number of fire companies, has been selected by Mr. Risley, the General Superintendent of Agencies, for the position of Pacific Coast Superintendent of Agencies of the Connecticut Mutual Life Ins. Co. The company has abandoned the plan of a general agency in this field, and has conferred upon Mr. Fogg the authority to appoint general agents for the several sections tributary to the larger cities.

—In an interior town an agent was told to renew a policy, as usual. He replied that the company had withdrawn, but that he would place it in a certain company, naming it. This was satisfactory, but the agent forgot to make out the policy, as agreed, and three days thereafter the property burned. The question is, is the company mentioned responsible? The property holder believed he was insured in that company and the agent told him that he would place the risk in it. The payment of the loss is still under consideration.

—Bert G. Snow, of Visalia, Cal., a special agent for the Equitable Life, wrote \$700,000 of insurance in his company in Tulare and Kern counties, in nine months, from Oct. 1, 1885, to July 1, 1886. Both are small counties, too, the total voting population being only 3 700.

—At a fire in an interior town, recently, eight or ten buildings were burned. The local paper says the origin of the fire is mysterious, and adds that no one will rebuild. The last statement deprives the fire of any claims to a mysterious origin. They all were insured, no one will rebuild; *ergo*: the fire was incendiary.

—Gutte & Frank have been appointed agents for the Merchants' Mutual Ins. Co. of Baltimore, a marine company with \$200,000 cash capital and \$314,857 assets. The Merchants was incorporated in 1846. Messrs. Gutte & Frank now represent, as general agents, five companies, to-wit: Hamburg-Magdeburg of Germany, Germania of New York, Magdeburg-General of Germany, National Marine of London, and Merchants' Mutual of Baltimore.

—J. R. Hillman, for the past year special adjuster for the Southern California, has been made assistant manager of the San Francisco Department, and at present placed in charge of this office in the absence of Secretary Miles, who has been spending some weeks in this city, reorganizing this branch. It is strongly hinted that Mr. Miles will be made secretary and manager of the company, and will in that case spend a portion of his time in this city.

—H. W. Snow, recently with the Southern California Ins. Co., and W. H. Pettis, secretary of the California Life and Accident Assessment Association, have formed a co-partnership under the firm name of Snow & Pettis, General Insurance Agents, at 324 Montgomery street. In addition to the arduous duties of writing letters to agents and collecting assessments from policyholders of the life and accident concern, Mr. Pettis will assist Mr. Snow in representing as city agents the Sun Fire and Marine of San Francisco, and other fire companies.

—During a big fire, not many months ago, an agent wrote and delivered a policy on a frame building opposite a burning block.

—Commissioner Tarbox, of Massachusetts, will accept our thanks for a second copy of his annual fire and fire-marine report for 1886, the first copy miscarrying.

—The Howard Insurance Co., of New York, made good progress during the first half of '86, increasing its net surplus \$20,000, notwithstanding an increase of over \$22,000 in reinsurance reserve.

—That was a sensible parson who, at a funeral sermon, in enumerating the virtues and good deeds of the deceased, dwelt upon the fact that he had insured his life to the extent of his ability. That kind of consolation, in the language of the Reverend Samuel Jones, beats the other kind all hollow.

—A life insurance agent dropped into the office of the *Indicator* a few days since in order to find a copy of an insurance paper containing an article derogatory to a certain company, with a view to using it as an "argument." The question occurred to us if this agent represents one of the strongest companies in the world, and he claims he does, it should recommend itself and need no belittling of others to carry it along. Instead of hunting up weapons with which to slay a small company, an agent could spend his time more profitably in persuading men to provide protection for their families by insuring their lives. To attempt to build up one company by pulling down another is not the course of wisdom.—*Indicator*.

—The first ten days of August in San Francisco have been a holiday season. The city has been handsomely decorated in honor of the 20th National Encampment of the Grand Army of the Republic, and the streets have been thronged with visitors, veterans and others, from all parts of the Union. The insurance fraternity have been well represented, as the reader may see by referring to a partial list printed elsewhere. The insurance offices and companies in this city contributed liberally to defray expenses, with their usual public spirit, and many insurance buildings were tastefully embellished with the national colors.

—There are ten native fire offices in Russia, and they all do a rushin' business.

—The *Fireman's Fund Record*, illustrating the fact that the application of a rule in the rate book will not always work the same way, says: "A donkey loaded with salt was crossing a brook. The water diluted the salt and lightened the burden. He communicated his discovery to a brother donkey loaded with wool. The latter tried the same experiment, and found his load doubled." The moral is obvious.

—*Insurance Age* compiles the following table of States in which the fire business has been in the aggregate unprofitable for a series of years:

State.	No. of Years.	Loss Ratio	Expense Ratio.
Alabama.....	7	70.	105.
Arkansas.....	10	79.3	114.3
Georgia.....	5	71.7	106.7
N. Hampshire	16	67.1	102.1
New Mexico...	3	73.2	107.2
North Carolina	3	74.3	109.3
Oregon.....	2	76.3	111.3
Pennsylvania.	12	67.7	102.7
Texas.....	21	71.0	106.0
Utah.....	3	68.0	103.0
Vermont.....	10	67.7	102.7
Virginia.....	3	72.0	107.0
Washington T.	1	81.7	116.7
Wisconsin....	17	64.6	99.6
Canada.....	17	67.9	102.9

—A prominent holder of life insurance policies in a large company says concerning life insurance: "I like life insurance because it has compelled me to save my money. Always a free liver, earning and receiving a good salary, the end of the year always found me about even with the world. Some years ago I was induced to take out an endowment policy on my life. I entered into the scheme with some doubts and misgivings as to my ability to meet the premiums; but to my surprise I found that, with but little appreciable effort, I was able to meet my premiums as they fell due, and I therefore consider myself indebted to life insurance for the handsome endowment policy I now hold, now considerably more than half paid up. The money paid for premiums has been actually saved, for from my previous experience I know my salary would have all been spent in other directions had I not diverted a part for this purpose."

—The net premium income of the Firemans Fund Insurance Company for the first six months of 1886 was \$520,000, in round numbers, or more than the entire annual premium five years ago. The assets are now \$2,048,843.

—Wm. Bourne, the English actuary, says: "No agent in these days of keen competition can expect to do a large business unless he studies the literature of his profession, keeps abreast of the times, and is well posted as to the financial position and solvent features of other offices as well as his own." We indorse this, and recommend the COAST REVIEW to live agents who want to keep "posted."

—An old and successful life agent recently said to us that "still hunt" tactics are the best. It is his rule to distribute no life literature bearing the name of his company; for to do so is to invite the attack of some "prowling" competitor who will poison the mind of the intending applicant with a perversion of figures or a blank lie. It seems to us that he places the standard of professional morality among solicitors unfairly low, but we give his rule for what it is worth. Some solicitor, reading this paragraph, may find in it an explanation for more than one inexplicable failure to secure an applicant who had given satisfactory assurance of a determination to insure.

—The *August Overland* is an exceptionally good number, with the true Pacific Coast flavor. We note that somebody has worked up an old story into rhyme—that story about the man who yoked himself with a young steer, and then went racing around the lot, bawling, "head us off, somebody." The story is located in Southern California, but the incident really occurred in New Jersey in Colonial times. The contents of the *Overland* are: A Manual Training School for San Francisco, Ghosted, Our Little Battle in Corean Waters, Prone on Dear Earth, Phœbus or Cupid, Captain Grant's Old Post (Fort Humboldt), Currituck Joe, Around the Horn in '49, Letter from Brazil, Personal Recollections of the Vigilance Committee, Petrarch and the Universities, Up Snake River, Romance of the Red Woods, American Diplomacy, etc.



—The *Australasian Banking Record* says: "It is surprising that the intelligent people of the United States should permit life offices to be heavily taxed."

—The *Argus* speaks of smoothing an "angry sea" with oil as a "new-fangled notion." Yes; we remember reading something about it in that new book, "The Bible."

—Of the papers published by life insurance companies in the United States, the *Travelers' Record* is incomparably the best. We have been intending to write this for some time, but the editor of the *Record* has anticipated us.

—A separator burned in a harvest field last month, owing to a hot journal and a careless engineer who neglected to apply oil. The same "box" or journal had caught fire once before. Had there been an automatic oiling apparatus there would have been no fire, and the insurance company would have been several hundred dollars ahead.

—We are inclined to think that the suicidal tendencies of the German people are owing to excessive beer drinking. The effects are frequently profound melancholy and a suicidal mania. So the "boys" say. Within two years thirteen Germans, living in an Iowa village of 600 inhabitants, have committed suicide. Come to think of it, Iowa is now a Prohibition State, and it may be that these poor fellows killed themselves because their supply of beer was cut off.

—The Anglo-Nevada Assurance Corporation has called for the second quarterly installment of its cash capital, due August 16.

—The business of the Manhattan Life Ins. Co. thus far this year has been greater than for the corresponding period of any one of the past twelve years.

—The new business of the Union Mutual Life Ins. Co. for the first five months of this year is \$623,518 more than the amount of new business in the corresponding months of last year.

—If the rate of burning in San Francisco continues for the remainder of the year, the insurance losses will be about 80 per cent. of the city premiums. This is an item for property-holders who are clamoring for lower rates.

—In Honolulu the Minister of the Interior is the local boss—not political, but actual. He visits fires and directs the firemen, and ignores the Chief of the fire department. There is, therefore, at times, a conflict of authority which is confusing to the firemen, to say the least.

—The COAST REVIEW neatly but effectively says: "We have a new, beautiful picture in our office. It represents the co-operative and the member. It is the picture of a wolf and a lamb." But there is no need of two animals. All that is needed is the wolf—the lamb being inside the wolf.—*Insurance Age*.

J. G. CONRAD.

I. D. MAXWELL.

# CONRAD & MAXWELL,

## GENERAL INSURANCE AGENTS,

### SAN FRANCISCO DEPARTMENT

## OAKLAND HOME INSURANCE CO.

## TRADERS INSURANCE CO.

### CONRAD & MAXWELL,

*Managers, 421 California St.*

—The Pennsylvania Ins. Co. of Pittsburgh has issued novel blotters, with illustrations of such lines as "keep your matches in a safe place," etc.. A good idea.

—An Iowa Supreme Court Judge recently decided that the temporary vacancy of a dwelling increased the hazard of winds and tornadoes. Of course it did. If the occupants had been at home they could have put the tornado out of the back door, or persuaded the cyclone to turn down another road, or checked the wandering airs of heaven (poetic for winds) with the kitchen broom.

—We have received from the *Spectator* a copy of the Insurance Year Book for 1886. It is a work of nearly 700 pages, and the contents are so familiar to all underwriters that the briefest summary will suffice. There are life and fire charts; laws and court decisions; statistics of population of States and cities; home and foreign fire and life statistics; tables of fire insurance by States; tables of mortality in cities; list of retired companies; fire departments in the cities and towns of the United States and Canada; tables of payments to life policy holders for eighteen years' directory of insurance agents, and information in regard to general agents and the fieldmen throughout the country. Price, \$3.00 per copy.

—A correspondent (W. S. F.) writes from Los Angeles as follows: "Referring to your article in the July COAST REVIEW, entitled 'A Hostile and Incompetent Critic,' in your quotation from the *Sunday Call*, or the article, as you state, written by a Mr. Barnes, I am at loss to understand why you did not comment also on the sentence therein, viz.: 'That fraternal societies could not carry \$2,000 guarantee on their members for any less money than old line companies.' He might have added: 'and Fraternal Societies do not guarantee anything, much less \$2,000, as they have nothing to speak of to guarantee with.' Again most assessments societies are not in any way fraternal, but simple schemes for a few managers and officers to make money out of, and Fraternal Societies should fight these frauds, as well as old line companies do."

—The Maine Insurance Report, just issued, indicates that, for the first time in ten years at least, the other-State and foreign companies doing business in that State have made some money.

—We are indebted to Wm. Bourne of Liverpool, England, for a copy of "Bourne's Handy Assurance Directory" for 1886, a compendium of British insurance statistics. Price, 25 cents.

—Pittsburgh is about half as large as San Francisco, but it has more than twice as many fire insurance companies. Of the forty-one joint-stock fire companies in Pennsylvania, eighteen are located in Pittsburgh. The cash capital of these Pittsburgh companies ranges from \$100,000 to \$500,000, and aggregate \$3,425,000. None has a million dollars of assets. The largest in capital and assets is the Citizens. Only eight Pennsylvania companies have over a million assets, and only one has over a million cash capital.

—The *New York Review's* estimate of the fire losses in the United States and Canada for the first six months of 1886 are as follows:

Month—	Fires of \$10,000 and over.	Aggregate estimated loss.
January.....	208	\$12,000,000
February.....	171	6,500,000
March.....	173	10,650,000
April.....	145	8,000,000
May.....	148	7,000,000
June.....	154	9,750,000
Totals.....	999	\$53,900,000

This is about \$3,000,000 more than for the corresponding period last year.

—The insurance losses in San Francisco, last year, as reported in the COAST REVIEW, were \$778,815; as reported to the Fire Patrol they were \$781,279. The aggregates were not only close, but the monthly reports varied only a trifle, and this variance was owing to the necessary reporting of estimated instead of adjusted losses, in order to print the same in the COAST REVIEW. The premium income from the city business was \$1,956,089, making the loss ratio 40.6 per cent. San Francisco yields 43 per cent. of the California premium income and 30 per cent. of the total coast premium income.

# HUTCHINSON & MANN,

*General Agents for the Pacific Coast.*

E. P. FARNSWORTH, }  
C. VAN DYCK HUBBARD, } - - - - SPECIAL AGENTS AND ADJUSTERS.

N. E. Corner California and Sansome Sts., San Francisco.

ASSETS REPRESENTED.....\$27,670,117

## FIRE DEPARTMENT.

### CONTINENTAL INSURANCE CO.

Of New York.

AGRICULTURAL INSURANCE CO.  
Of Watertown, New York.

CITIZENS' INSURANCE CO.  
Of St. Louis.

FARRAGUT INSURANCE CO.  
Of New York.

FIREMEN'S INSURANCE CO.  
Of Baltimore.

FIREMEN'S INSURANCE CO.  
Of Newark.

GIRARD INSURANCE CO.  
Of Philadelphia.

PITTSBURGH UNDERWRITERS,  
Of Pittsburgh.

ST. PAUL F. & M. INSURANCE CO.  
Of St. Paul.

UNITED FIRE RE-INSURANCE CO.  
Of England.

### SUN FIRE OFFICE

Of London.

## MARINE DEPARTMENT.

LONDON & PROVINCIAL M. INS. CO.  
Of London.

FONCIERE MARINE INS. CO.  
Of Paris.

ST. PAUL F. & M. INSURANCE CO.  
Of St. Paul.

### STEAM BOILER AND PLATE GLASS DEPARTMENT.

HARTFORD STEAM BOILER INSPEC-  
TION AND INSURANCE CO.  
Of Hartford.

METROPOLITAN PLATE GLASS IN-  
SURANCE CO.  
Of New York.



# THE COAST REVIEW

A MONTHLY JOURNAL

DEVOTED TO

FIRE, MARINE, LIFE AND ACCIDENT INSURANCE.

J. G. EDWARDS, PROPRIETOR,

320 Sansome St. (Room 13), San Francisco, Cal.

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## PUBLISHER'S NOTICE.

Terms: \$3.00 per year; single copies, 25 cents; postage added to all foreign subscriptions. February copies to non-subscribers, 50 cents.

Subscriptions discontinued on expiration only when so ordered by subscriber.

Post office boxes or street and number should be added to address to secure a safe delivery.

Discontinuance, or errors, or changes in address, should be reported to the COAST REVIEW, and not to the post office. Repeat order if necessary. Subscribers and others who may take this journal from the post office or carrier are legally responsible, notice of discontinuance of subscription notwithstanding.

Subscriptions may begin with the January number, if so desired. Unless otherwise ordered, however, subscriptions will begin with the current issue.

Postage, when not sent from this office, is 2 cents per copy.

Correspondence invited. Write on one side of paper only. Be specially careful with names and dates.

Our readers are requested to send us court decisions and newspaper clippings relating to underwriting interests.

Communications, new advertisements and changes in old advertisements should be handed in before the 1st of the month, or as soon after the 1st as possible.

The COAST REVIEW will be mailed about the 8th of the month.

Advertising rates made known on application.

## Elizur Wright's Last Life Insurance Paper.

The *North American Review* for August prints the following posthumous paper on life insurance by the late Elizur Wright, the well known actuary:

The American who first drew the Protean life principle out of the clouds was sent to the mother country to secure justice for her then infant colonies. He there became acquainted with Dr. Richard Price, who, by his scientific labors, was restoring the vitality of British life insurance, then in a ruinous condition, because it had been founded on guess-work. Both these men recognized the relations of capital and labor—that capital is the child of labor—and that there can be no social or national prosperity where the child enslaves the parent. They both believed that extreme poverty was not a necessary evil, that co-operative institutions might be founded by which every industrious man could save himself and family from pauperism, let death do what it might. Dr. Price showed how the perpetual solvency of a life insurance company may be maintained on annual premiums not increasing with the increasing risk of age, as was abundantly il-

lustrated in the career of the London Equitable. But he unfortunately, did not provide an equitable method by which a co-insuring member could retire from the society when he ceased to need further insurance, or was unable further to pay the annual premium. Here has remained a very important question, practically, if not theoretically, unsolved nearly to the present time.

The present writer cannot better explain the working of this defect than by stating what fell under his own observation when in the year 1844 he visited England as a peddler of Sparks' Lives of Franklin and Washington, as well as a publication of his own. He had from the Massachusetts Hospital Life Insurance Company, a corporation chartered in 1816, a commission to procure information for its use on life insurance, and a letter of introduction to Joshua Milne, the author of the "Carlisle Table of Mortality" and other statistical works, then at the head of the Sun Life and Fire Office. That gentleman, in his sixty-ninth year, received me most graciously, and communicated to me even more information than I was capable of holding. About a week afterward I was invited by John Kenyon, a well known London Mæcenas, to one of his literary breakfasts, where I met such men and women as Samuel Rogers, B. W. Proctor, (better known here by his *nom de plume* of Barry Cornwall), Robert Browning, Miss Mitford, Elizabeth Barrett (afterwards Mrs. Browning), and others. Proctor sitting next to me, asked me pleasantly, "What of the London lions have you seen?" "The Thames tunnel," I replied, "is the largest; but the most interesting to me has been the Sun Life Office, where I have learned a good deal about life insurance that was new to me." "Life insurance!" broke out Mr. Proctor: "It's the biggest humbug in christendom." I was quite thunderstruck, but managed after a little hesitation to say: "You surprise me, Mr. Proctor. If I had not taken a policy from a life company just started in Boston, I should not have dared to cross the water, leaving a wife and five children on the other side." "Go to the Royal Exchange,"

said Mr. Proctor, "Thursday afternoon at three o'clock, and you will see what I mean." I assured him I should do so, and did. What I saw at that sublime center of trade was a sale at auction of several old policies on very aged men to speculators, apparently of the Hebrew persuasion, to be kept up by them by their paying annual premiums to the company till the decease. This was done, I was told, because the companies had made it a rule "never to buy their own policies!" A poor rule, it seemed to me! I had seen slave auctions at home. I could hardly see more justice in this British practice. If I should ever become old myself, I thought, I should not like to have a policy on my life in the hands of any man with the slightest pecuniary motive to wish me dead. This, then, was what had disgusted the sweetest songwriter in England with life insurance!

I soon found there was a reasonable act of Parliament against the issue of a policy in the absence of insurable interest on the part of the policy-holder in the life of the insured, but no law whatever against the continuance of one, after all insurable interest had ceased; on the contrary, a judge-made law allowing it. I resolved if I ever returned to America, it should be otherwise here, if my voice could avail.

However, when I returned home, I found that by the terms of the policy—generally copied from the English form—the same thing might be done as in England, though there was generally, outside of the policy, a promise to pay an equitable surrender value in case the insured should wish to withdraw and give notice to that effect before premium became due. But it was left to the company to say, after the notice, what payment should be equitable. If a case was ever carried into the court, the court only looked into the policy, and finding stipulated there no return of any part of the premiums, but rather the reverse, compelled none.

Dr. Price's great improvement consisted in commuting the series of net natural premiums, increasing annually with the tabular risk, into a level or constant series for the whole term of insurance. And this made the business of the company, from

first to last, consist of two distinct parts—insurance and banking, or insurance and self-insurance. A certain part of every premium—or, at any rate, of any of the earlier ones—goes to pay the party's bet that he will not die in that year, and of course goes towards paying the claims arising on those who do die. The other part goes into the invested or reserved fund, accumulating at a certain interest, but the whole of it, with its interest, comes out in case the party himself dies, because he himself has insured that part of the face of the policy, and not the company.

Curiously enough, Dr. Price's net level or constant premiums had a provision for expenses attached to them by adding a certain percentage of the net premium to itself. There was no justifiable logic for that form of provision, and plainly, enough, it had better have been a percentage on the face of the policy or a specific yearly due, variable and corresponding with the work done by the company. It had the effect, by discounting the bonded future premiums into present resources, to make the assets of many a "Diddlesex concern" vastly exceed the tabular liability on its policies, while it was marching to inevitable bankruptcy. Our State Departments, by early adopting the test of a net valuation, have saved most of the present companies from that rock. All, perhaps, might have been saved if fewer had been created.

What led to a different practice in this country from the English, was the willingness of some companies to receive a part of the annual premium in a note of the insured bearing interest at six or seven per cent. If this note were not more than half of the annual premium and the interest was paid in advance every year, not only the note (unless the party entered at a very advanced age) might lie unpaid till the policy became a claim, but another note of the same amount, and on the same conditions, might be taken safely for every succeeding premium. As these notes, being a part of the reserve or self-insurance on the policy, were applicable as far as they would go to pay the widow's or beneficiary's claim, it was pretty plain to ordinary comprehension that if the insured lived to die at an advan-

ced age, his widow or children would get little, or perhaps nothing, but a dead husband's or father's notes. This obvious consideration led the companies to promise that the divisible surplus of cash over claims and expenses would be such as to cancel the notes, so that not more than five or six would ever be outstanding—a prophecy which facts hardly warranted in the most successful and economical of the companies. In many cases the half cash part of the premium with the interest on the uncanceled notes became fully equal to an all cash premium. But what happened of more significance was, that in case of lapse on a policy, with premium note or notes outstanding, the company did not enforce collection. If any company had resorted to law to enforce the payment of such notes, the question would have arisen whether the maker of the note had received any value. Plainly not. The policy was cancelled on the non-payment of cash and another note on its anniversary. The obligation to pay the notes ended with the insurance. The past insurance had been fully paid for by the cash already received by the company, and enough more, commonly, to compensate the company for the damage by the lapse.

This settled the question, for law does not, of should not, undertake to force payment on notes, only where value has been received, or damage would be inflicted by the non-fulfillment of a contract. As many policies lapsed on which the full premiums had been paid in cash, a State legislature was forced to interfere so that all cash payers should not, in such a case, be treated worse by the very companies it had chartered than those who had paid half in notes. This was the cause of the Massachusetts non-forfeiture act of 1861. It did not compel the return of any cash, but only so much further term insurance as four-fifths of the cash reserve on the policy would pay for. It was not a very scientific or thorough treatment of the subject, but clearly better than nothing in the interest of equity between policy-holders.

It seems unfortunate that the regulation of insurance—a subject which interests all parts of our vast republic, and in which one



part depends so much on another—should be so much at the mercy of conflicting State laws. If insurance had fallen, in the opinion of the wisest interpreters of our national constitution, into the category of "commerce between the States," it might have been otherwise. But as it is, there is nothing for it but to cultivate comity between the States, and, restricting State legislation to corporations of its own creation, to wait for the best laws to prevail in other States, according to their wisdom and equity. It would border on bigotry, if not cruelty, to restrict the citizens of a State from dealing with the corporations of another State, considered by themselves as more honest or profitable than any corporations of their own State. American liberty will never brook any legislation to think for it.

Games of chance are characteristic of the human race, and have amounted to a passion, from time immemorial, in all countries. As science increases, the passion subsides. Governments, inclined to be paternal, have labored more and more to repress them. The time is not beyond the memory of old men when lotteries were licensed in favor of building churches, bridges, and other desirable public works. They are now reduced nearly to grab-bags.

All insurance is essentially a game of chance, and cannot be well understood without resorting to the mathematical laws of probability. So true is this, that the law of New York makes an express exemption of insurance from the penalties against gambling, on the ground that it really reduces the inequality of fortune.

Nothing is more certain than that all the utility which has resulted from life insurance has come from the investigations of such minds as Pascal, DeWitt, DeMoivre, Price and Quetelet into the problems of chances. Yet it is not less true that the best thing that can be done for life insurance is to clear it as much as possible from the influence or interference of the gambling passion, which is prone to infect it, and tempt some policyholders to adopt any plan which bids fair to get their insurance partly paid for at the expense of others, always apt to result in the detriment of

co-insurers less fortunate. The game, to be perfectly fair, should involve no contingency except that between life and death.

The same two assumptions of mortality and interest, on which Dr. Price founded his calculations of the net level provisions which would maintain the solvency of a company, were equally available for the calculation of a rule of equitable and safe surrender. The neglect to establish any such rule resulted in a vast unpopularity of life insurance with the humbler classes of society, leading to societies constructed with a good deal of benevolence but no science at all, and sure to fail shortly; and making many sensible people remark, like the fox in the fable, that life insurance companies were lion's dens, with all the tracks leading inward.

It is a very amusing fact that the real nature of what is called tontine insurance has been so mystified by a word which has no application to anything ever done in this country, that the Ohio legislature has entered into a grave and expensive investigation into it, without sensibly diminishing the fog, or discovering that the whole trouble, so far as there is any, lies in not having an equitable rule, involved in the charter of the corporation, or embodied in the policy itself, for its cash surrender when its further premium becomes due and is not paid.

If a man for the protection of his dependent family wishes to make a contract with a life insurance bank, for better or worse, to cover his whole life, and by its terms to forfeit whatever he has in the bank and its interest, together with any surplus from his payments over the cost of the insurance he has enjoyed, whenever he wishes to retire, why should he be precluded by law? Must we depend altogether on statutes to keep fathers from giving away their own interests? Yet, as no such forfeitures as above described are necessary for the solvency of a life insurance company, a legislature may very well refuse to give companies of its own creation the right to make contracts which no well-informed citizen, not of a speculative turn of mind, would take.

There is no possibility of illustrating a

subject so wide as life insurance in its application to all grades and classes of society, and so various in its forms of procedure, motives and plans within the space of a moderate article. I can only say, in closing, that some of the most faulty plans have been worked by men whose honesty has been faultless, and their energy has achieved such vast results as to counteract the malign effects of the faults they have adopted. Socially, life insurance, as it stands, is one of the brightest spots in our national horizon, and it is extending its influence from ours to other continents.

### A Talk with Holders of Life Insurance Policies.

You cannot urge the fact that the system of life insurance is itself in any way unstable. This can in no sense be true. Taking it all in all the life insurance companies now doing active business are the safest financial institutions in the world. The supervision over them is rigid and it is also scientific. The standard of security which is used is a very severe test and it is applied once a year, and if there appears to be any just occasion, oftener. The results of the annual and special inquiries are published and every policy-holder can ascertain just where the office in which he is insured stands. Furthermore, the societies which are now doing business are from twenty to forty-five years of age, and during this period they have not only maintained a healthy growth, but they have also increased in strength. There is nothing like chaff about them. They are all as good as wheat.

"But will my policy be paid?" "Won't there be technical objections urged on the part of the company against honoring the claim which my heirs may present?" These are certainly fair questions and deserve consideration. The first thing for you to determine is as to whether or not you have dealt fairly with the company. Did you tell them the truth to the best of your knowledge and belief in respect to your age, your physical condition, your past history and your family record when you made the application for your policy? If so you

have nothing to fear. No company will ever take advantage of a man who has endeavored to deal honestly with it. The offices are not anxious to raise technical objections. They pay every claim that is fair—that reasonable business men would say was just. Sometimes there may be cases in which a fraud is attempted which is transparent and bare-faced. Then there can be no doubt in regard to the duty of the managers. The honest policy-holders must be protected against such attempts. The funds of the company belong to them and they have no right to disburse them except to meet just obligations. Furthermore, consider the record of the offices in the past. Out of every two hundred claims which have been made within the last forty years against American life insurance companies one hundred and ninety-nine have been paid without question. Is not this a most excellent report. Furthermore, the tendency of offices is to pay without contest all claims as they are presented. To this end the policies are year by year made more liberal. Nearly all the restrictions are removed and they are made after three years incontestable for or on account of errors or omissions in the application, save as to age, in which case the amount of insurance actually paid for is given to the legal representatives after death. You must remember that the officers are employed as managers and as arbitrators between the members, and they have no pecuniary interest in any decision which they may make. Their purpose is to deal fairly and justly.

Another thing. This reduction of the interest rate makes it necessary, or at least desirable, to accumulate and maintain a large volume of surplus. This is only the demand of common prudence. It is for the security of every man who owns a policy. No one should object to the conservation of the general interest.

You meet the constant cry, "you are paying too much for your insurance." This is to be expected from the agents of co-operative societies. It is the point they undertake to maintain by both false logic and untrue assumptions in regard to facts. They are not willing to appeal to their own experience, but refer to that of the old line

offices, which can in no sense be fairly applicable to their own system. They ignore their own history, because they are ashamed of it. What sort of organizations are they that are not willing to stand by all the facts which are obtainable from their own record. This thing also shows the inherent weakness of the whole assessment system.

We are, however, sorry to say that some agents of respectable offices will also endeavor to persuade you that they can do better for you than the company which now protects you. Take our advice, and when a man approaches you with this argument, have nothing to do with him. He is endeavoring to mislead you. His interest is not in you but in his commission. There may be some slight difference in the case of insurance in first-class companies, but in the nature of the case the difference can only be slight. The business in each costs substantially the same; there is no wide variation in the working expenses; investments in one office yield about the same as in another, and the actual to the expected death rate is not widely different. Hence the cost, taking the years together, cannot vary very much. If you have been insured two, three or more years, you will certainly lose money if you give up one insurance and take another. The natural increase in cost arising from an increase in age, will more than offset the widest difference which can exist between respectable companies.

Don't get dissatisfied with the office for small matters or apparent wrongs. Go to the company itself and state your grievance, and nine times out of ten you can receive an explanation which will be eminently satisfactory.—*U. S. Review.*

The new business of the Union Mutual Life Insurance Company for the first sixteen days of the current month exceeds the company's record for the corresponding period last year, as regards the number of policies written, by upwards of 30 per cent. In amount written the August record so far is nearly 60 per cent. ahead of that of last year. If anybody says this is not remarkable progress—what is his name?—

*The Chronicle.*

## Contemporary Views.

### SURPRISING.

Not the least remarkable feature in the records of life assurance in the United States is the extreme rapidity with which, by some means or other, the American companies contrive to register their annual returns with the Insurance Department. It is practically eighteen months after the close of any financial year before we are able to gain a complete insight, by means of the parliamentary returns, into the course of life insurance business in Great Britain during its course. But in America three or four months suffice for the deposits of all accounts by the life offices of that country. The circumstance, further, seems even more surprising when we take into consideration the business of the companies complying with the provisions of the American laws.—*London Record.*

### WHAT SHOULD CONGRESS DO?

The lament goes up: "National carelessness and crime are burning more than a hundred millions of the national wealth every year and congress does nothing about it!" Then, when the president is preparing his annual message, some time along in November, the professional mourners urge him, through their papers, to please put something in about the fire loss. The message comes out in December and says not a word about the fire loss. Then the president is sharply criticized for omitting all mention of so important a theme, the truth probably being that his private secretary, Daniel, was solely to blame in not having read the insurance papers to the president. Anyhow, the fact is, and most likely such always will be the fact, that Congress does not do anything and the president's message never does say anything about the appalling aggregate of the national fire loss. Well, what we want to get at, and have often before tried to get at, and never expect to succeed in getting at, is, What in the name of sense and reason would these complaining critics have congress do in the premises? We pause for a reply.—*Insurance.*



### Failure of a San Francisco Co-operative.

THE PEOPLE'S LIFE AND ACCIDENT BENEVOLENT ASSOCIATION SUSPENDS.

The People's Life and Accident Benevolent Association of San Francisco, a hat-passer, has been forced to suspend, leaving many disappointed claimants. The association was organized about two years ago, and has received the attention of the COAST REVIEW several times. In the April number we printed the names of several members who held unpaid claims. In the June number we printed the remarkable letter of Secretary Swain to a Folsom claimant, confessing inability to pay and coolly adding that a suit would be a waste of time, as there was no property to serve execution upon. So Wm. Moore, of 2119 Taylor street, found when he placed a \$200 claim in the hands of an attorney; but his claim was the straw that broke the back of the staggering beast. On August 28th, the directors issued the following card to the members of the association:

It is with regret that your Board of Directors have to announce that, in consideration of many unforeseen circumstances, the association will be compelled to suspend operations. Your Directors have within the two years last past made every effort to make the association one of the foremost institutions of the State, and until within the past few months did not despair of success. The membership, however, from causes unknown to the Directors, have at various times allowed their names to lapse from the books of the association, by reason of non-payment of dues and assessments, to an extent that entirely sets aside the possibility of the payment of legitimate losses by the association.

In view of this fact and the additional fact that the membership has become so small that it would require a number of assessments upon the remaining members to in any degree liquidate the present demands against the association, the Board, in consideration of these facts, deem it unjust to still keep up a system of assessing members, when it has become patent that of money received from such assessments the amount would still be insufficient to pay a reasonable percentage of existing claims.

The failure of this pretentious concern ought to be a sufficient warning to the Coast public to ignore the Home Benefit and other accident assessment associations. They all are like the defunct People's Life and Accident Association—without proper-

ty to serve execution upon, dependent on collections to pay claims, with a membership that is likely to greatly decline, and thus leave claimants without the hope of even a partial payment of their claims.

### The Alliance Life and Accident Association.

A CHICAGO FRAUD WHICH IS DENOUNCED BY THE ILLINOIS INSURANCE DEPARTMENT.

At 193 La Salle street, Chicago, Ill., there is an assessment life and accident association, called the Alliance. Henry Plessner is President, and Geo. Pfleger is Secretary. The circulars of this Chicago hat-passer have been distributed freely on the Pacific Coast, and insurance agents and brokers are invited to represent the concern for a commission of four-fifths of the membership fee. We found no mention of the Alliance in the recent report of the Illinois Insurance Department, and therefore wrote to Auditor Chas. P. Swigert for information as to the standing of the company. Mr. Swigert replies that the Alliance Life and Accident Association is not incorporated and has not been recognized by the Illinois Department. The papers of incorporation were not approved, because the active promoters of the organization were unworthy of confidence. The Attorney-General has begun proceedings against the officers. The following is Mr. Swigert's letter:

SPRINGFIELD, Aug. 21, 1886.

EDITOR COAST REVIEW—In reply to your enquiry of 16th inst., I have to say that the Alliance Life and Accident Association (so called) of 193 La Salle street, Chicago, has complied with no law of this State, is not incorporated at all, and has no standing in this Department. It has assumed in some places to circulate leaflets claiming that it was incorporated under the laws of this State, when it was not incorporated at all, claiming a capital stock of \$100,000—when it had no capital stock, and could not be incorporated with a capital stock. It presented to me incorporation papers for my approval, which, however, I refused to approve, on account of the untrue statements and misrepresentations upon which it proposed to solicit business, and because I believed the history of several of the incorporators, who were the active promoters of the organization, showed them to be unworthy of public confidence, and unfit to be entrusted with the management of the affairs and the handling of the funds of such an associa-

tion. Regardless of this they have continued to circulate their literature and solicit members, and I understand issue certificates.

At my instance the Attorney-General has commenced proceedings in court against the parties connected with the concern.

Yours truly,

CHAS. P. SWIGERT.

### Deaths by Fires.

The statistics of death by fire, as recently set forth by Dr. Choquet, are of very considerable interest, and especially those cases which have happened in theaters and places of public resort. The latter, indeed, have been extremely prolific in this kind of calamity, no fewer than 7,000 persons having been burned between 1751 and 1855. The first ten years of this period showed only 179 victims, of which Paris supplied 21, a proof that places of entertainment were relatively few and far between; and things went on pretty quietly until between 1790 and 1800, when it mounted up to 1,100, of whom 1,000 were burned to death all at once at a place in Istria, probably one of the largest human hecatombs on record. America took the lead in the next epoch from 1801 to 1830, although the total number of deaths was only 227. In the following decade St. Petersburg had more than one large fire, by which 800 persons came to their end; but this number was greatly exceeded between 1841 and 1850, the total of deaths amounting to 2,144. Of these 1,670 were carried off at one swoop in a Chinese theater at Canton, and 200 more in a Canadian theater in Quebec. The next 20 years showed a relaxation in the roll of deaths from this class of accident, there being only 345; but there was a great increase in the next fifteen, the total amounting to 1,845. It must be remembered, however, that there has been within that period a great development of theatrical entertainments in all the large cities of the world, though, on the other hand, the means of providing for the safety of visitors have been very much more attended to than formerly. Paris, with its minor theaters and *café-chantants*, has been, on the whole, remarkably free from deaths by fire, not

more than 71 in 25 years. This is not bad, considering that the theaters number 32 and the *café-concerts* 56, which are visited yearly by at least eight million of people. Considering, too, that the Porte Saint Martin has been burned twice in the present century, and the Ambigu-Comique, the Gatie, the Italien, and the Vaudeville each once, it is suprising that the total deaths at these occurrences only amounted to five, the fires fortunately happening when the theaters were empty.—*Builder*.

### Digest of Recent Insurance Decisions.

#### FIRE.

FALSE STATEMENTS—ACT OF THE BROKER AND ACT OF THE AGENT. — *Mullin v. Vermont Mutual Fire Ins. Co* ; Vt. S. C., June 26, 1886.—*Ins. Law Journal*.—Where an application for insurance against loss by fire was obtained by one not an agent of the defendant, but a broker doing the business under an arrangement with defendant's duly authorized agent, by whom it was sent to defendant, and the defendant returned it for additional information as to the ownership and occupation of the property to be insured, and the agent gave the application to the broker with instructions to obtain the answers from the applicant, and the broker took the application away and returned it with the answers written in his own handwriting and not in accordance with the facts, although the broker at the time had full information as to the facts: *Held*, that the act of the broker under these circumstances was the act of the agent, and the knowledge of the broker, no matter when obtained, if before the answers were given, was the knowledge of the defendant, and it was estopped from setting up such false answers in defense: *Held*, That it was the duty of the assured to supply the defendant with an honest inventory of the property damaged, and although he could properly employ his wife to make the inventory of household goods destroyed, if he makes oath to one thus made by his wife containing false statements and fraudulent claims, without knowing of its false claim and without

scrutiny, he thereby adopts and makes the fraud his own, and cannot recover.

### MARINE.

TIME OF LOSS DETERMINED BY PROBABILITIES.—Reid *et al. v. Standard Marine Assurance Co., Lim.; Eng. H. C. J., July 12, 1886.*—The policy ran from May 28, 1882, to May 27, 1883. The insured vessel, the *Fidra*, sailed from Newcastle, N. S. W., for Hong Kong on May 9, 1883, and has never since been heard from. Defendants pleaded that the *Fidra* was lost after May 27, 1883, *i. e.*, after the expiration of the policy. Masters of other vessels, who had sailed the same voyage upon similar courses, and about the same date testified that a violent storm arose a few hours after the *Fidra* had sailed from Newcastle. There was a very heavy sea, and the gale lasted two or three days. In the opinion of the masters, it was most likely that the *Fidra* foundered during that storm. It was further shown that the first eighteen days of this voyage—which, under ordinary circumstance, would only take twenty-five days—was through very dangerous and intricate navigation, while the latter portion, that was after a vessel had passed north of the Pellew Islands, was fair sailing with plenty of sea room. That as a fact, after May 27, the date on which the policy expired, the weather had been very fine, and that no typhoons had been reported, nor had any wreckage or other clue ever been picked up of the *Fidra*, as would probably, it was contended, have been the case had she been lost during the latter part of her voyage. There was evidence that several sailing vessels had weathered the same gale in which it was contended by the plaintiffs the *Fidra* had been lost. The *Fidra* was an iron screw steamer, built on the Clyde, with a forward draught of sixteen feet when laden. When lost she was carrying 1,400 tons of coal, and had when so laden a freeboard of three and a half feet. She was not loaded down to the Plimsoll mark. Defendant claimed that there was no direct evidence upon which the jury could act. It was merely a question of probabilities, and there was still a chance that the *Fidra*

might have been lost after May 27, from some unknown cause

The Court, referring to an American case—Brown *v. Neilson*—said that it was there laid down that in such a case as this the jury ought to decide according to their judgment of the greater probability of the vessel having been lost before or after the date upon which the time policy lapsed. Defendant's counsel addressed the jury, pointing out that if plaintiffs had chosen they might have insured the *Fidra*, by payment of a small extra premium, until the end of the voyage. There were well-known clauses to meet such cases, which could have been inserted in the policy. The plaintiffs had not chosen to do this, and so avoid the present difficulty, and should therefore prove beyond all doubt that the *Fidra* was lost prior to the expiration of the policy. The jury, without retiring, found that the *Fidra* had been lost before May 27, 1883.

“CONTACT WITH SUBSTANCE OTHER THAN WATER.”—Cruikshank Gas Co. *v. Maritime Ins. Co.; Eng. S. C. J., August 4, 1886.*—Liability was admitted for part of the amount claimed, but as to the remainder the defendant pleaded that by the “metalling” clause they were not liable, as the damage to the vessel was not caused by “contact with a substance other than water.” The plaintiffs’ vessel, the *Homewood*, while laden with steel rails in February, 1884, was overtaken by a storm, during which the cargo broke loose, and for a day about 500 rails were rolling about from side to side. The mizen and fore masts were nearly cut through by the force of repeated blows from the rails, the pump-casings were smashed, and the staunchions in the lower hold completely broken, besides which there was other damage done. The vessel put back to Belfast Lough, but afterwards, by agreement, she was taken to Barrow to be examined. However, as she was being towed in the Ramsden Dock she grounded and injured her bottom. The defendants, when communicated with, averred that the laboring and straining of the vessel during the storm before the cargo shifted was sufficient to account for the



whole or greater part of the damage to the vessel. This was a test action, there being a number of underwriters whose claims would be decided by its result. The jury found that defendants had failed to prove that any damage was done before February 12, when the cargo shifted. The Court has the case under advisement.

AVERAGE LOSS.—*Marine Ins. Co. v. China Transpacific S. S. Co.*—House of Lords, July, 1886.—The respondents, the owners of the steamship *Vancouver*, insured with the appellants the hull of the vessel, valued at £70,000. The policy covered the usual risks, but it contained a clause warranting the ship free from average under 3 per cent., unless general, or the ship was stranded. Whilst on a voyage from Hong Kong to San Francisco the vessel encountered severe weather, and fractured her stern-post, causing a leak. The fracture was not known or suspected at the time it occurred. She reached San Francisco on the 18th February, 1875, and the cargo having been discharged, she lay in the bay until January, 1876, when the respondents put her into dry dock to be cleaned and scraped, and it was then first discovered that the stern-post had been broken. The vessel was discharged from the dry dock on the 11th of January, and the respondents contended that she had sustained a particular average loss above 3 per cent. of the declared value of the ship within the meaning of the policy, and they claimed from the underwriters a sum of £2,308. On the other hand, the appellants contended that the vessel was not docked for repairs to the damage, but to clean and paint her, and that, deducting the items from the latter, the amount for repairs was not sufficient to bring up the average loss to 3 per cent. The Divisional Court held that the underwriters were not liable, but in the Court of Appeal the Master of the Rolls and Lord Justice Fry (Lord Justice Baggallay dissenting) reversed their judgment, being of opinion that the underwriters were liable for the average loss, and gave judgment against them; hence the present appeal. The Lord Chancellor affirmed the

decision of the Court below, and the appeal was dismissed with costs.

RECOVERY OF PRO RATA PREMIUMS.—*Ins. Co. of N. A. v. Rogers*; Maine S. C.—Where a marine policy provided that if on the passage at the end of the term, the risk should continue at pro rata premium until twenty-four hours after arrival in port, an action by the underwriter will lie to recover such pro rata, though the premium note given for the original premium had already been sued on and gone to judgment. It is no defense against such action that the insured was only part owner and had over-insurance of his interest in other companies, when the insurance is on the ship, and not simply on the insured's interest, and it does not appear that there was over-insurance of all interests.

#### LIFE.

PROOFS OF DEATH—*Goldschmidt et. al. v. Mutual Life Ins. Co., N. Y. C. of A.*, June 1, 1886.—Plaintiffs were assignees of two policies of insurance. The defense was that he came to his death by suicide and so the defendant incurred no liability, but the answer contained an offer of judgment for \$231.96, being the amount of premiums received. Upon trial of the issue, the court below ruled that the defense was made out, and directed a verdict for so much only as was admitted to be due. The correctness of this ruling turned upon the legal effect of answers and information given in connection with the preliminary proofs of death served by the claimants. The policy declared that suicide was excepted from the risks assured. The proofs of death gave the remote cause as disease of the bladder and kidneys, and the immediate cause as unknown. A copy of the coroner's jury verdict was added, with the declaration that it was incorrect. *Held*, That the proofs were not *prima facie* evidence that the insured died by his own hand. *Held*, That the burden of showing that death did not result from suicide was not placed upon the plaintiffs by the copy of the verdict and evidence. Such copy was not required by the policy and was furnished as a matter of courtesy.

A SOLICITOR SUES HIS COMPANY FOR COMMISSIONS—*Equitable Assurance S'y v. Brobst, Neb. S. C., Jan. 6, 1886.*—Defendant in error sued to recover for his services as solicitor. He was employed by the general agent of the society. The society denied any liability, and declared that B, the solicitor, was employed as the agent of its agent, with the express understanding and agreement that he should have no claim on the defendant company. *Held*, That the rule is well settled that the acts of a general agent, with reference to the agency, will bind his principal, although he may have received private instructions narrowing his authority, unless such instructions are known to the party dealing with him. The questions concerning such knowledge, and as to whether the solicitor was employed personally by the agent or in behalf of the company are questions for the jury.

DELIVERY OF POLICY—*Madeiras' Appeal, Penn. S. C., Feb. 15, 1886.*—W. C. M. took out a policy on his life in April, 1879, and offered to make a gift of it to C. N., to whom he was engaged to be married, but she declined to take it, as she said, because she was engaged to him only. They were married in December, 1880. W. C. M. had always spoken of the insurance having been taken out for the benefit of his wife. It appeared that the policy had been placed in a tin box in which were kept the securities belonging to both husband and wife, and that he had told his wife to give this box to her mother to keep for her. The wife was the administratrix of her husband's estate, and his father and mother sought to have her surcharged with the amount of the policy and interest, she having collected the insurance money as her own property. The application to surcharge was refused and the proceeding was carried to the Supreme Court, where the appeal was dismissed. *Held*, That there was a sufficient delivery of this policy to the wife. Is not a gift an assignment, perfected by delivery, which debars the donor from revocation? Undoubtedly it is, and it has been so decided. The husband always intended this insurance for his wife, and evidently he made what he thought was a delivery to her.

## A Voice from the Pacific.

A PAPER BY L. L. BROMWELL, READ AT THE ANNUAL MEETING OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST, SEPTEMBER 9, 1886.

SAN FRANCISCO, CAL., August 29, 1886.  
*Mr. President and Gentlemen of the Northwestern Association:*

It has been truly said that some men shine with greater splendor because they are not seen. My written apology for a "paper" on the occasion of this your 17th annual meeting, will, no doubt, on account of its brevity and my inability to be present and perorate in person, place the undersigned prominently into line with those splendid absentees, content to "blend short follies with wise counsels," and not fatigue the ear with any weight of words.

I trust none of my friends will object to "good words spoken on a good day," for this is a Sabbath afternoon, and the rector of our parish, this morning, in his sermon from second Matthew, reminded me by his allusions to the "wise men of the east," that President Fox had, without authority and with malice aforethought, nominated and elected me to voice the Pacific Coast in your current year's deliberations. Under these circumstances, I feel justified in taking advantage of the three thousand miles separating us, and, at the risk of "painting a dolphin in the woods and a boar in the waves," indulge myself in a mess of olla-podrida, as a sandwich to the palatable, cultivated and carefully prepared essays which always characterize your enjoyable annual gatherings.

It will be pardonable at the hands of one who has served an apprenticeship in an insurance office, commencing as I did at the bottom rung of a terribly long ladder, and who climbed to the position of local, special, adjuster, general agent, and finally as chief executive of a company, if at this time I ask many of you present, who have traveled the same circuitous, rough and hard road, to join me in taking a stock account, and ascertain by striking balances where and how we stand as underwriters, after twenty years of toil, experience, improved methods

and systems of business, and enlarged fields of operation.

#### TWENTY YEARS AGO.

When most of you gentlemen were first knighted as underwriters, an application and survey, made in ink and properly signed, was a condition precedent to the issue of a policy, which was based upon that survey, made a part of it, and a warranty, as it should be, on the part of the insured.

General contracts were never written, and any approach to a blanket form was frowned upon as unprofessional, and only indulged in by ignorant and wild-cat underwriters, who would sooner or later *deserve* the ruin such illegitimate and demoralizing practices must finally bring upon their unsophisticated heads.

"Other insurance permitted" was an unheard-of endorsement, first allowed in policies covering wholesale stocks of merchandise of variable value, with the meaningless affix, "without notice until required," and now enlarged upon, until every little cross-roads store, *buildings*, and property of *fixed* values, receive freely and cheerfully the endorsed permission of additional insurance without restriction or limitation.

Agents' commissions never exceeded the plain and simple 15 per cent. on all classes of risks, with a modest and rightful charge for "policy and survey fee" when premiums were too homœopathic to make the commission a fair compensation to the agent for his work and pains, in properly covering small risks throughout his district. This rate of commission, moreover, covered the pay of the agent for keeping an agency record of each company's business, and for properly accounting and remitting each month's operations on the first day of the succeeding month.

Gasoline, powder and coal oil, electric, vacancy, stovepipe and cloth lining, lighting, and carpentering permits, all without limit as to time, amount, or additional charges therefor, are creations of the last two decades, loaded to the already heavily burdened fire insurance contract.

Wholesale waiver of every important condition of the policy to please mortgagees was never dreamed of, much less practiced,

nor was insurance of profits, rents, leaseholds or experiments, all subversive of the fundamental principles of sound underwriting, engrafted on the business in ye good olden time.

Losses were always adjusted by adjusters. Special agents, fully appreciating the exceptional powers with which they were endowed (and I intend no reflection on the majority of our hard working and painstaking specials of to-day), depended upon themselves most, and not so much upon Sanborn's Map and Publishing Company, a local compact or the fire-proof *front* to a building, extra hazardously occupied—both physically and morally, perhaps—in passing judgment on the contingent liability of his office at an agency.

Executive officers and managers had the nerve to order and the backbone to demand and exact strict obedience to all rules, rates, and the requirements of their respective establishments.

We had no burdensome, expensive and unnecessary State Insurance Departments, to vex, annoy, tax and hamper the general business; judicial prejudice was not so rampant that justice was only blind in dealing with individuals, but employed both eyes when treating cases with insurance corporations as defendants.

Do I overdraw the picture of twenty years ago? If not, do I overstate the case and fairly balance the account in the statement that most all of the old primitive methods and principles of fire underwriting in this country have been injudiciously set aside or supplanted by new schemes, and our policy with agents, the public, the judiciary and the legislature, become so defensive and apologetic, instead of mandatory and aggressive, as to warrant a "place in the ditch, full of those who are wise when too late."

All the innovations briefly enumerated above have taken place during the seventeen annual meetings of your association, which, as a body, has most thoroughly and intelligently ventilated and discussed the evils of the business, and advanced many worthy expedients for offsetting if not positively curing many of them.



## SOMETHING MORE RADICAL NEEDED.

All diseases cannot be conquered by the same treatment, but it strikes the Pacific Slopers that something more radical is needed than brilliant essays, sparkling and fine-spun arguments, to rehabilitate and restore to our daily practice, a few of the old reliable methods, insuring to the companies a modicum of profit from the millions of money invested in, and received as premiums from, fire underwriting; agitation is good, but it must be persisted in, and the principles advocated carried into headquarters, and positive reform put into effect *by the managers themselves.*

Contentions, which array agent against agent, companies against companies, localities against localities, interest and class against each other, must be trampled out, and factious difficulties healed over and reconciled, if honest and valuable co-operation is to be acquired; we must not be so generous in construing the policy of our neighbors, and so ungenerous in interpreting the provisions of our own; we would rob the law-makers and the dignified expounders of the law of a great deal of *their* poisonous tendencies towards insurance corporations, and at the same time better serve our individual interests, by advertising our adjustments of *total* losses more, and our forced salvages less; we should be slow to grant privileges to agents and clientele however valuable, simply because our neighbors feel like mismanaging the affairs entrusted to their keeping by so doing.

You have had the Value of Associated Effort ably and impressively discoursed; have had a treatise upon Fire Underwriting as a Profession handled in a scholarly and convincing manner; you have been edified and entertained with logical and exhaustive essays upon Precedents, Incendiarism, the Duties of an Agent, Judicial and Legislative Prejudices, Loss Adjustments, Fire Hazards, and the Evils Oppressing Our Business, with first-class remedial recommendations, but the fact stares us in the face to-day, that we have not been able to so concentrate our associated effort as to make the same effective, to overcome even the *laxities* of our

business, resultant from the greed of excessive competition.

## REFORM MUST BEGIN WITH THE BOSSES.

"If some things were different others would be otherwise," is a trite philosophical saying, but we must discard the "ifs" and throw overboard the "buts" to *make* things different. Masquerading in fair professions won't accomplish the "otherwise." The people are fashioned and modeled according to the example of their King, and at the risk of being charged with transcending the liberties and abusing the courtesies usually accorded invited correspondents, permit me to suggest that *all* reformatations, great or small, necessary to lift the business of fire underwriting from the slough into which it has gradually fallen, *must begin at the fountain head, and with the bosses themselves.* To a Westerner, accustomed to fair, living, profitable rates, reasonable, plain contracts, moderate commissions, equitable and rational judiciary and legislative branches of government respecting insurance companies, the present condition of extravagance and laxities of fire underwriting east of the Rockies, exhibits a wonderful scarcity of good, hard, common sense, of those at the helm. It is perfectly safe to use this expression, for its grating will not disturb a single manager in the country, except in so far as to excite his professional sympathy for some near neighbor, whose feet the shoe will fit perfectly. Now, I trust my friends will not hastily class me as pessimistical, decrying alike the times, the business and my neighbors, but if anybody can satisfactorily explain the necessity or the indispensable-ness of any of the present inflicted evils of the business, *outside of rates and commissions*, I will promptly and discreetly condemn and assign myself to that category of men, "who as they grow old become more foolish and more wise."

## A DRASTIC REMEDY.

In this same connection can our passive submission to the most onerous taxes and restrictions placed upon the entire business by unjust, discriminating, and inequitable municipal and State laws, be account

for upon any rational hypothesis? Is not the public responsible for the iniquities of its legislative agents, and where is the valid objection to loading *our* premiums, with the same burdens imposed by States, counties and municipalities upon insurance corporations? We have tested this kind of reciprocity on the Pacific Coast, and can recommend its taking in good healthy doses by our brethren similarly afflicted in the Eastern and Western States. The public have never failed to early repeal all such objectionable measures; it's a regular antidote for the craze to cinch corporations, and settles the stomach of ambitious local statesmen for all time to come.

Again, our California Supreme Court sometimes has an infectious leaning towards a claimant and occasionally side-tracks itself, like many others of those high tribunals throughout the country. Quite recently, in the case of *Hegard v. California Insurance Company*, on appeal, the Commissioners gave defendants a new trial for flagrant errors of a prejudiced lower court, but in doing so virtually decided the case against the company, and strained themselves to instruct the Judge in retrying the matter, to avoid certain pleadings, and denied the right of an insurance company to prove deterioration, depreciation and dilapidation occurring before the date of the policy, *because prior to the policy the company had no interest in the preservation of the building*, thus making every policy issued in this State a valued one, and overturning the natural and easy methods of determining the actual cash value of a subject insured, which for many years has found the approval of courts of high standing, and text-writers of eminent ability. It is only necessary to add that the appellant company, notwithstanding a new trial was ordered in its favor, sought and *obtained* a rehearing in banc, when, it is hoped, by an aggressive presentation of the law and the fact, our Supreme Court may be switched to the main track again, and this unexpected and dangerous precedent forever set aside.

#### SPECIAL TAXES ADDED TO PREMIUMS.

On the Pacific Coast we "dare to do something worthy of transportation and impris-

onment as a means of being of some consequence." When Nevada imposed a two per cent. State tax upon premiums, we added three per cent. to every insurance premium collected in that commonwealth, and underwriters lost considerable profit when the next Legislature of the Silver State hastily repealed the measure. California's State Stamp Act, followed by Oregon on the same platform, was collected from premium payers until they arose in their might and choked the proposition to death, and never asked either our assistance or our permission. The County of Sonoma, in this State, more recently, through its wise Board of Supervisors, enacted a license tax on insurance corporations; but we simply computed a net commission to ourselves for collecting from the insured, this discriminating piece of legalized robbery, and that board was called together specially to reconsider, and they lost no time in relieving their constituents of this self-inflicted imposition. In legislative matters our standing committee commence their work personally and through their agents, at the political primaries, and per consequence can walk into the lobby of our legislature with influence and head up, demanding what we are afraid many of our Eastern brethren beg and sue for.

#### ON THE PACIFIC COAST.

The Pacific Insurance Union has a unanimous membership of 45, representing 108 companies. The organization is about as harmonious as could be expected with the growing and hereditary disposition of many to "cut large thongs from other people's leather." Our manager is peculiarly fitted for his place—an able counsellor of his equals, the honest advisor of his superiors, and the merciful chastiser of the erring.

During 1885 the State of California numbered ten local companies, with aggregate capital and assets amounting to \$6,988,624.41; their cash premiums, received during the year, footed \$3,180,904.57, and they paid out for losses during the same period \$1,878,419.30. By rigid and strict economy our locals managed to save enough to pay the selfish and hard-hearted stockholders \$321,811.50, or about 8 per cent. on the \$4,000,000 capital employed, and less

than five per cent. on their accumulated assets. Deducting receipts from interest and other sources, we have about as little to boast over from underwriting account as our more scientific friends "on the other side."

In conclusion, gentlemen, you may have heard, if not personally witnessed, the enormous size of every production from this section of country. This "brief letter" is no particular exception, and can be pronounced a regular tropical triumph. If it will have the effect intended, however, of checking our hurry for what is remote, and finally concentrate the underwriting interests on what is before our eyes—if this modest "tenor voice from the Pacific" can create an Eastern symphonic basso-profundo, to champion the correction of the *minor* laxities of our grand and growing business, the undersigned's pains and application will have been rewarded, but your association must furnish the Genius to bring it all about.

Ah! what can application do  
Unless we have a Genius too?  
Or Genius how have cultivation,  
Without due pains and application.

Sincerely and faithfully yours,  
L. L. BROMWELL.

### Sample Co-operative Litigation.

#### BAD RECORD OF THE CHAMPION HAT-PASSER.

On the 1st of July the amount of claims resisted by the Mutual Reserve Fund Life Association of New York was \$151,000, an increase of \$27,000 since January 1st. The legal expenses for six months were \$20,710. The Death Claims Committee, in its semi-annual report, states that since January 1, 1886, a saving of \$92,507.99 has been effected in the settlement of thirty-one claims. In other words, the association forced the thirty-one claimants to accept a compromise. They must have received a very small proportion of their claims. The average policy is small—about \$3,000. Assuming the average claim of these thirty-one claimants to have been \$4,000, the aggregate was \$124,000. That is a liberal estimate. Deducting the \$92,508 saved by forcing a compromise, we have \$31,492 as

the amount paid, an average of a fraction over one-fourth of the average policy. The temptation to fight claims appears to be irresistible by the managers of the Mutual Reserve Fund. First, the resistance of claims is necessary, for if all or nearly all the claims were paid, the association would speedily lose so many members, because of numerous assessments, that it would have to close its doors. Second, the claimants cannot help themselves. They must take whatever is offered them, and may whistle for the balance.

### Lloyd's.

The *Review* of London says that during the whole period of existence of Lloyd's, the institution to which the coffee-house-keeper gave his name has dealt in many and varied forms of insurance and indemnity. There is, practically, nothing that has not been guaranteed, or, at least, spoken of in connection with indemnity, by some one connected with Lloyd's. We are not prepared to say that the risks of matrimony or of chastity have been guaranteed, but certainly any number of contingent risks dependent upon child-birth and the succession to estates, have been taken at various times by members of Lloyd's, and at what were necessarily speculative rates. Amongst the public, and even amongst certain classes of insurance officials, Lloyd's is looked upon as a purely marine insurance association, and as one which never goes outside the limits of marine indemnity. As a matter of fact, there is absolutely no kind of speculation which has not a very fair chance of finding its inherent risks as eligible to be covered by a Lloyd's policy. We know that, during the past few years, fire risks of all kinds have been accepted, and some at ridiculously low rates. The principle upon which these fire policies have been issued, would appear to be that of "follow my leader," for some transactions would appear to be entirely without justification as a matter of business, and hardly even as a question of speculation. We all know what the fire-marine business did for some of the companies which took an active



share thereof, and we are certain that it is a very fortunate thing that the underwriters at Lloyd's have but a small proportion of fire insurance business put into their hands.

### Semi-Annual Figures.

The following table is made up from the semi-annual returns to Auditor Rice, of Indiana. The Indiana law still requires semi-annual statements. We acknowledge our indebtedness to the *Chicago Investigator*:

Companies.	Assets.	Unearned premium liability.	Net Surplus.
Agricultural, Watertown, N. Y.....Jan. 1.	\$1,831,798	\$1,107,663	\$156,220
do.....June 30.	1,893,170	1,093,670	182,555
Amazon, Cincinnati, Jan. 1	555,696	101,673	127,371
do.....June 30.	566,366	111,748	133,893
American, N. Y., Jan. 1.	1,261,640	143,792	686,429
do.....June 30.	1,268,337	143,734	699,535
California, San Francisco.....Jan. 1.	1,110,713	230,741	146,755
do.....June 30.	1,043,243	242,008	140,579
Citizens, St. Louis, Jan. 1.	437,303	45,929	179,202
do.....June 30.	442,348	48,401	184,008
City of London, U. S. Branch, Eng., Jan. 1.	691,517	304,873	327,178
do.....June 30.	709,743	318,270	318,352
Clinton, N. Y., Jan. 1.	460,010	103,479	66,425
do.....June 30.	457,649	102,444	75,205
Commercial Union, U. S. Branch, Eng., Jan. 1.	2,409,782	1,311,743	919,548
do.....June 30.	2,394,456	1,236,269	934,216
Concordia, Milwaukee, Jan. 1.	475,838	175,687	83,392
do.....June 30.	509,159	202,063	82,908
Fire Ass'n, Phila., Jan. 1.	4,250,564	2,805,282	783,792
do.....June 30.	4,282,244	2,825,673	848,186
Firemens, Newark, Jan. 1.	1,554,856	180,757	758,883
do.....June 30.	1,608,471	180,758	798,410
*Firemans Fund, San Francisco.....Jan. 1.	1,625,197	525,585	254,795
do.....June 30.	2,043,842	588,077	308,670
Germania, N. Y., Jan. 1.	2,442,805	822,904	477,887
do.....June 30.	2,401,523	775,697	537,270
German, Freeport, Ill., Jan. 1.	1,843,498	1,304,298	234,680
do.....June 30.	1,920,212	1,377,955	246,931
German, Pittsburg, Jan. 1	449,814	171,584	64,099
do.....June 30.	444,318	163,324	65,368
Girard F. & M., Philadelphia.....Jan. 1.	1,263,509	374,484	546,521
do.....June 30.	1,280,728	386,695	554,313
Glens Falls, N. Y., Jan. 1.	1,492,283	514,267	741,575
do.....June 30.	1,533,502	535,302	760,804
Guardian, U. S. Branch, Eng., Jan. 1.	1,335,074	437,391	837,056
do.....June 30.	1,414,090	455,422	898,950
Hamburg-Bremen, U. S. Branch, Ger., Jan. 1.	1,023,594	509,549	455,762
do.....June 30.	1,066,820	521,602	503,343
Hanover N. Y., Jan. 1.	2,479,134	890,313	445,651
do.....June 30.	2,496,477	846,243	505,269

Home, N. Y., Jan. 1.	7,618,116	3,011,637	1,227,995
do.....June 30.	7,628,402	2,938,020	1,389,342
Howard, N. Y., Jan. 1.	701,264	184,923	66,009
do.....June 30.	729,104	207,068	86,031
Imperial, U. S. Branch, Eng., Jan. 1.	1,599,991	634,746	833,162
do.....June 30.	1,606,090	656,835	806,405
†Lancashire, U. S. B'ch, Eng., Jan. 1.	1,513,229	711,563	668,201
do.....June 30.	1,452,155	687,972	643,439
Lion, U. S. Branch, Eng., Jan. 1.	764,434	196,973	528,743
do.....June 30.	784,554	196,973	540,091
Liv. & London & Globe, U. S. Br., Eng., Jan. 1.	5,924,011	2,800,463	2,589,104
do.....June 30.	6,148,283	2,834,053	2,798,129
Merchants, N. Y., Jan. 1.	479,791	119,017	107,673
do.....June 30.	469,140	154,819	80,412
Merchants Newark, Jan. 1.	1,225,985	369,364	357,700
do.....June 30.	1,222,620	360,611	386,922
Michigan F. & M., Detroit.....Jan. 1.	346,227	82,281	54,576
do.....June 30.	338,102	81,419	53,199
National, N. Y., Jan. 1.	1,853,727	319,377	473,62
do.....June 30.	1,886,625	322,578	501,281
New Hampshire Fire, Manchester.....Jan. 1.	1,101,451	325,433	219,983
do.....June 30.	1,143,325	353,187	222,569
Niagara Fire, N. Y., Jan. 1.	2,080,950	1,007,371	397,113
do.....June 30.	2,131,979	1,060,000	406,538
N. W. National, Milwaukee.....Jan. 1.	1,263,753	384,063	242,223
do.....June 30.	1,290,829	392,959	261,790
Norwich Union, U. S. Branch, Eng., Jan. 1.	1,157,614	493,802	590,031
do.....June 30.	1,153,101	452,066	619,952
Pacific, N. Y., Jan. 1.	751,521	185,758	339,862
do.....June 20.	714,378	143,680	355,248
Peoples, Pittsburg, Jan. 1.	323,997	81,571	27,684
do.....June 30.	331,402	80,437	33,543
Phenix, Brooklyn, Jan. 1.	4,910,483	2,845,048	714,167
do.....June 30.	5,008,000	.....	786,000
Queen, U. S. Branch, Eng., Jan. 1.	1,841,536	977,662	725,530
do.....June 30.	1,811,249	931,674	781,218
Royal, U. S. Branch, Eng., Jan. 1.	4,712,899	1,861,061	2,344,471
do.....June 30.	4,659,863	1,769,905	2,433,345
Scottish Un. & Nat'l, U. S. Br., Edn'rg, Jan. 1.	1,153,218	233,171	871,450
do.....June 30.	1,274,542	233,171	1,002,272
Springfield F. & M., Mass., Jan. 1.	2,803,436	1,224,582	410,542
do.....June 30.	2,858,206	1,243,463	465,675
St. Paul F. & M., Minn., Jan. 1.	1,261,829	425,993	291,911
do.....June 30.	1,369,140	477,235	335,642
Sun Fire Office, U. S. Branch, Eng., Jan. 1.	1,712,361	1,078,986	528,149
do.....June 30.	1,621,454	1,023,330	472,123
Sun, California.....Jan. 1.	470,496	108,292	50,328
do.....June 30.	486,265	73,904	70,636
Traders, Chicago, Jan. 1.	1,228,345	264,576	359,902
do.....June 30.	1,285,493	274,212	445,920
Union, San Francisco, Jan. 1.	1,125,964	226,891	117,724
do.....June 30.	1,149,532	237,752	125,371

United States, *N. Y.			
Jan. 1.	561,373	75,127	227,409
do.....June 30.	582,851	70,000	255,419
Western, U. S. Branch.			
Toronto.....Jan. 1.	920,283	443,495	406,353
do.....June 30.	952,743	456,761	453,340
Westchester, N. Y.			
Jan. 1.	1,142,568	567,010	226,204
do.....June 30.	1,247,499	627,000	253,458
Williamsburg City, N. Y.			
Jan. 1.	1,218,808	407,140	503,357
do.....June 30.	1,203,366	391,793	511,909

\* Capitalized \$250,000 during the six months.

† Sent \$75,000 to the home office since January 1.

### A Popular Delusion.

We have at different times referred to the popular impression that incorporation of an assessment society by the State is a guaranty of its security. The managers of the hat-passers impose upon the popular ignorance by claiming that the fact of incorporation, or the license in States which license co-operatives, is not merely an evidence, but a warranty, of the character of the management, and the security of the funds entrusted to them. "Incorporated" or "licensed" is prominently displayed in the circulars and advertisements of the hat-passers, and this legal formality incident to their organization is triumphantly referred to in refutation of every aspersion. One old lady insisted that we were wrong in denouncing the late Pacific Mutual Self-Endowment Association as a swindle; "because, sor, the secretary showed me that the siciety was incorporated by the Shtate." She lost her money if she continued to trust the concern, for it soon "went up the spout," despite the fact that it was "incorporated."

In the Eastern States, [where the co-operatives are licensed very much as the corner grocer is licensed, this quasi-official recognition is made to look like an official guaranty of their reliability. Insurance Commissioner Forster of Pennsylvania has considered it necessary to correct this erroneous impression in the following language:

In licensing these companies it is not to be understood that they are endorsed or recommended. When they conform to certain requirements, the Commissioner is directed by law to license them. He does not consider that his license necessarily implies approval. It only shows that the company has complied with the terms of the law.

The Commissioner has not even power to revoke the license in case he has reason to distrust the company. If he doubts, he is compelled to accept the certificate of the company's own State as to its solvency. If he is satisfied that the company is conducting its business fraudulently, he must report to the Attorney-General, who is required to commence proceedings in court for the revocation of the license. By these provisions the assessment companies are protected from summary ejection from the State, no matter how fraudulent their conduct or business may prove, and in this particular are favored by law beyond the regular companies, whose licenses are subject at any time to revocation.

In California no license or statement of condition is required of the co-operative insurance company. The Insurance Department has no authority over any co-operative, however great the swindle. In this respect California occupies a unique and disgraceful position, for no other populous State leaves its people so wholly unprotected from the schemes of rogues who organize assessment life and accident insurance associations.

### Periodical Drouths in the West.

There is a curious periodicity in the drouths in the Western States, and as there is usually some relation between fires and drouths, underwriters are interested in the matter. We have observed that a more or less severe drouth occurs every seven years in the Missouri Valley States, and this periodicity is particularly notable in Kansas. In 1860 there was a very severe drouth lasting eighteen months. The inhabitants were saved from starvation by the contributions of the charitable. Boston shelled out its beans, and Senator Pomeroy secured fame and a name—Old Beans—through the judicious distribution of that leguminous vegetable to his starving constituency. In 1867 there was another drouth, but it was comparatively mild. In 1874 there was a severe drouth, extending throughout all the States west of the Mississippi river. The year 1881 was a drouthy year, also, west of the Missouri. If the seven-year period continues to "hold good," 1888 will be a very dry year throughout the territory referred to. The drouthy year has always been preceded by a dry year or two, and is usually suc-

ceeded by a year of copious rains, including a reign of prosperity. But in the dry and unprosperous years, more than ordinary care in the acceptance of risks might be profitably used.

### Extraordinary Fires in the Interior.

Within the past two or three months there has been a remarkable succession of destructive fires in the interior of the State. San Bernardino, Alturas, San Pedro, Independence, Madera, Merced, Folsom and Tulare have suffered serious losses, and there has been, besides, a suspiciously large number of grain-field fires. These fires, following so quickly, are extraordinary, and cannot be ascribed to the weather nor to chance. They are mostly incendiary in their origin, and the authors are doubtless the tramp element of California's population. They are an irresponsible class of men who nourish a hatred of society, and their lawless sentiments have been greatly strengthened by the anti-Chinese agitation and the propagation of socialistic or anarchistic ideas.

These "tie-pass" tourists were observed in unusually large force at Merced, Madera and Tulare just before recent fires. It is positively known that they plundered many burning buildings at Madera. Ordered out of town, they decamped with other disreputable characters, and halted at Tulare, where another large fire speedily broke out. The same gang is doubtless "hanging" about some other town farther down the road, waiting for a favorable opportunity to apply the torch. In the interest of the public weal, we may properly indulge in the hope that the citizens will do some of the "hanging," and ornament the telegraph-poles with a fire-bug or two.

This increase of incendiarism is a serious matter for the insurance companies. If the authorities in the country towns do not stamp out this incendiary spirit promptly and effectually, property-holders must prepare to pay higher rates of premium for fire insurance. The companies cannot afford to pay many of these extraordinary losses and maintain the prevailing rates.

### The Old World.

It is announced that ex-Parson Tyng, who formally represented the Equitable in France, has been appointed general agent for the Mutual Reserve Fund Life Association at Paris. Mr. Tyng will deliver a lecture at an early date, and will attempt to explain the double assessments and extraordinary litigation of the association.

The millers of Great Britain recently met in Dublin and organized a mutual fire insurance company.

In some Swiss villages the communal authorities, instead of treating insurance against fire as a concern for each householder's care, insure all the buildings—the church, houses, stables and sheds. The insurance of the entire village is met by one single policy, and the cost is cheerfully met by a slight increase in local self-taxation.

As late as 1776 incendiaries were hanged in England, and their bodies were tarred and left hanging in chains, a warning to evil-doers.

Fire losses in Italy for the year 1885 averaged 61.5 per cent., and the commissions and charges 31.3 per cent. of the premiums received.

The Briton Medical and General Life Association of London is insolvent, owing to defalcations amounting to over half a million dollars. The company was organized in 1854, and had \$3,440,000 assets.

The Dutch fire insurance companies, it is reported, are intending to insure in future only three-quarters of the value to be insured, the remainder to be self-insurance of the proposer. This measure, it is hoped, will bring about a decrease in the number of fires, the cause of which is very rarely traceable.

*L'Argus* takes under review the thirteen principal French companies, and it appears from the figures, compiled from the reports, that the total premium income of all com-



panies was 76,453,965 francs, or only 50,125 francs more than in 1854. Nine of the companies show a decrease, ranging from 48,538 to 296,204 francs, only four showing increases, which vary from 46,635 to 427,234 francs. The average loss percentage was 54.29 per cent, the lowest being 38.79 per cent., and the highest 64.91 per cent. Commissions show an average figure of 22.80 per cent. (20 per cent. to 23.94 per cent.), and management expenses 10.04 per cent. (5.50 per cent. to 33.47 per cent.), all reckoned on net premiums. The percentage of profit for twelve companies ranges from 5.18 per cent. to 20.80 per cent., and one office has incurred a loss of 5.74 per cent. on one year's working. The average percentage of the twelve companies of 12.92 per cent. compares with 10.43 per cent. for the preceding year. Of the last five or six years 1885 has proved the most favorable for the French fire insurance companies.

Statistics of suicides in various European countries have recently been collected, from which it appears that the number of the same within one year in every million inhabitants was 17 in Spain, 30 in Russia, 37 in Italy, 46 in Holland, 52 in Hungary, 70 in England, 78 in Belgium, 93 in Sweden, 122 in Austria, 127 in Bavaria, 150 in France, 164 in Württemberg, 174 in Prussia, 230 in Switzerland, 290 in Denmark, and 377 in Saxony. The number of suicides increases every year, especially among the German races.

### Comparison of British and American Life Figures.

Below we print tables of the premium receipts, expenses and commissions, and ratios of expenses and commissions to premiums, of the representative American and British life companies for the past nine years. The premiums of the two classes correspond closely in the main, but the expenses of the American are considerably greater. The aggregate incomes were nearly the same, but the British companies earned about one per cent. less upon their investments. The reader will doubtless observe that there has been a gradual increase in

the British ratio of expenses to premiums, rising from 16.6 to 20.1 per cent.

#### BRITISH.

Year.	Cos.	Premiums.	Exp. and Coms.	Ratio Ex. to Prems.
1877.....	111	\$60,295,000	\$9,995,000	16.6
1878.....	106	60,510,000	10,560,000	17.5
1879.....	111	65,175,000	11,385,000	17.5
1880.....	110	65,505,000	11,695,000	17.9
1881.....	109	67,990,000	12,565,000	18.5
1882.....	110	71,720,000	13,745,000	19.1
1883.....	109	73,830,000	14,420,000	19.5
1884.....	104	76,820,000	15,090,000	19.6
1885.....	104	79,220,000	15,865,000	20.1

#### AMERICAN.

Year.	Cos.	Premiums.	Exp. and Coms.	Ratio Ex. to Prems.
1877.....	34	\$62,933,690	\$13,327,565	21.1
1878.....	34	57,236,335	10,992,051	19.2
1879.....	34	53,728,055	11,208,133	20.9
1880.....	34	53,972,388	12,951,312	24.0
1881.....	30	56,379,248	13,089,414	23.2
1882.....	30	60,504,274	13,338,788	22.0
1883.....	29	67,322,119	25,295,264	22.7
1884.....	29	72,016,264	18,153,435	25.2
1885.....	29	78,513,171	19,040,797	24.2

### Fire Insurance Dividends.

In Table I. Mr. Heald gives the dividends paid by American fire insurance companies from 1860 to 1885, inclusive. The average ratio has been 10.93 per cent. During the first five years of this time the dividends averaged 10.91 per cent. on the capital invested. In 1876 the dividend ratio rose to 13.92 per cent. It has since steadily declined, and in 1885 was 9.56 per cent. This is only 1.35 per cent. less than for the war period. As the purchasing power of a dollar is over twice as great now, the companies are actually paying twice the dividends to-day that they did during the civil war. Of course the 10.91 per cent. dividend paid from 1860 to 1865 was not a sufficient recompense for the risk incurred. It was less than the current rate of interest. The 9.56 per cent. dividend of the present time is a royal remuneration, compared with it; and taking into consideration the purchasing power of money, the average dividend ratio for 1885 was the equal of the annual ratio for any previous year. Mr. Heald's table of comparative dividends affords no occasion for lamentation. The average dividend is a liberal one. It is nearly twice the cur-

rent rate of interest, and, the value of money being considered, it is as liberal as any average dividend since 1860.

### The Notorious Prindle Arrested for Embezzlement.

Henry Prindle, a well-known life insurance solicitor and swindler, is now in jail in Portland, Oregon, charged with the embezzlement of about \$4,000. The arrest was made by Deputy Sheriff H. C. Wood, of Portland, on August 11, at Antioch, Contra Costa county, in this State, where Prindle has been representing the Mutual Reserve Fund Life Association. It appears that while in Oregon Prindle disposed of considerable property belonging to one La Roque, from whom he had a power of attorney. The amount thus collected was believed to have been about \$4,000. The rightful owner never received it, however, for Prindle pocketed the money and decamped, after pawning a valuable ring belonging to La Roque. The evidence against the scamp is sufficient to convict him, and if the case is prosecuted he will certainly see barred daylight for many years.

Prindle has been exposed repeatedly in the COAST REVIEW. In the issue of January, 1884, we gave a review of his infamous career, from the failure of the firm of Prindle & Mangam, in New York, in 1872, down to his scallawag operations in Sacramento in the fall of 1873. He organized the People's Ins. Co. of Philadelphia, and made himself the treasurer, and in July, 1874, he absconded with all the company's funds. Becoming too well known in the East, Prindle came to the Pacific Coast in 1876, and as a solicitor for the Trust Fund Association, succeeded in "getting away" with over \$3,000 of the funds of that association. He was employed by several life insurance companies, and embezzled money from all, and also frequently collected premiums from applicants, whose applications never reached the companies. Money entrusted to him to be returned to an unsuccessful applicant he "forgot" to deliver. From Thomas Dibblee, of Santa Barbara, he collected a premium of \$630, and kept it. His record in this field certainly entitles him to

the championship as an embezzler and confidence operator.

Prindle has been soliciting for the Mutual Reserve Fund Life Association of New York in the neighborhood of Martinez for some time, and we are neither surprised nor sorry to learn that he is "away behind" with the San Francisco agent of that hatter. The general agent and the managers in New York knew the character of the man; they knew that he was a trickster, a liar, a swindler, and an embezzler. They employed him with their eyes open, and for the sake of "business," i. e., fees, assumed all risks of embezzlement, and were willing that he should deceive and rob others so long as they found profit in his services. As it is not to be doubted that Prindle robbed many applicants, there is rough justice in the fact that he robbed the association or general agent that gave him the opportunity to deceive and swindle others.

### A Georgia Story.

A Georgia life agent related the following story to a local journalist: "Not long ago, in another State, a man, whom I will call Jones, was lynched. He had a policy in my company for, say, \$10,000. As soon as I read the newspaper report of the affair, I went at once to the town in which he lived and quietly investigated the case. I found that among the lynchers was the son of the lynched man, and he was the beneficiary! It was an extraordinary case, in which his father met his death at the hands of a mob. I secured the affidavits of the prominent ministers of the place, as well as of the best merchants, who testified as to the son's presence in the mob. I returned home and quietly awaited developments. In due time the attorney for young Jones came and presented his claim. The policy reads very plain as to death for any known violation of law, and payment was therefore refused. The attorney stormed and threatened suit. He said he would sue us in the town in which Jones lived, but as we had no agent there, he was told to go ahead. I hinted to him that the son was in the mob which lynched his father. This he denied, and said he could prove an alibi. I then inti-

imated to him that I had all the evidence necessary on the point, and then he wilted. His next offer was to take \$100 for the policy, and then I listened to him."

### The Reward System.

A New York contemporary, *Insurance*, has a hobby which it rides skillfully and energetically. It is the reward system, which it denounces as an iniquitous method of punishing the innocent by tempting the cupidity of unscrupulous men. The case of Taylor, of Chico, Cal., is cited as an example, but the admission that Mitchell, the chief witness, accused Taylor to save himself, relieves the reward system of all responsibility for the unjust conviction of an innocent man in that case. We quote as follows:

"As we have said before, and expect to say again and yet again, the reward system of the National Board is effective for the conviction, justly or unjustly, of the unfriended, the poor, the helpless—of persons who have neither money to employ competent counsel nor influential people to assist them. In the whole thirteen years since the fund was established and out of the whole number of 169 convictions attributed to its influence can a single one be mentioned where the convicted person was of any importance in the community? We know of no such instance and should be glad to have one specified. The incendiary who has money will be skillfully defended; and always a material part of his defense, when reward money is being used against him, will be the fact of such use. That fact, well handled by able counsel, can be relied upon with almost absolute certainty to generate the reasonable doubt which shall suffice for the acquittal of the guilty."

Undoubtedly the offering of rewards for the arrest and conviction of incendiaries is a temptation to unprincipled men to manufacture testimony, but it is doubtful whether the payment of rewards by underwriters has that effect; for, if we are not misinformed, the payment of such rewards is always at the discretion of a committee, and is less a reward than a mere liquidation of extraordinary expenses incurred in securing testimony.

### Manager Dornin's Agency.

Managers Dornin and Sexton now have an agency embracing an admirable combination of leading companies. With the accession of the Imperial, of London, on the 1st inst., they represent four popular companies, two American and two English, namely, the Washington, of Boston, the Orient, of Hartford, the Lion, of London, and the Imperial, of the same city. The increasing business of this agency can now be handled to better advantage, and the ambitious energies of the managers will hereafter find a more satisfactory outlet. We may safely venture the prediction that the business of their popular agency will advance at a most flattering rate, and in time again tax their office facilities and the reasonable capacity of their companies for Pacific Coast risks.

### California Supreme Court Decision.

ERRONEOUS ADMISSION OF TESTIMONY.—*Meuk v. Commercial Ins. Co. of Cal.*; Cal. S. C., Sept. 1, 1886.—In effect the complaint alleged that the policy of fire insurance sued on was issued on an application made and signed by the plaintiff. The application contained certain material representations as to the manner in which the building was occupied. The plaintiff, against the objection and exception of the defendant, was permitted to testify at the trial in effect, that the application was in fact made by an agent of the defendant of the name of Burckhalter, and that he (plaintiff) did not know what representations it contained. In the first place that testimony was in contradiction of the averment of the complaint and should have been ruled out. But it was not and the plaintiff recovered in the action. The defendant moved for a new trial, among other grounds upon the ground of newly discovered evidence, and in support of the last-mentioned ground presented the affidavit of Burckhalter, in which the statements of the plaintiff at the trial were put in issue and tending to show that the representations contained in the application were in



fact made by the plaintiff. As they were material and were claimed by the defendant to have been false, defendant was entitled to an opportunity to show that they were made by the plaintiff, for the policy was issued in part upon them. Defendant did not have an opportunity of producing the proof at the trial, because it could not have been anticipated that plaintiff would be permitted to testify that he did not make the representations contained in his application upon which it was alleged the policy was issued.

Judgment and order reversed and cause remanded for a new trial.

### Consolidation of the London, Northern, Queen and Connecticut Agencies.

The Pacific Coast departments of the Connecticut and the London, Northern and Queen insurance companies were consolidated on September 1. The four companies will hereafter operate in this field under the joint management of Robert Dickson and Wm. Macdonald. The consolidation of the two departments not only reduces expenses, which is a minor consideration, but secures the advantageous co-operation of two able underwriters, and a division of managerial work which will obtain the best results.

The combination of the four companies makes one of the strongest agencies in the country, representing \$20,000,000 of cash assets, with \$8,000,000 surplus over all liabilities, and \$13,500,000 surplus to policyholders.

The consolidation of the Connecticut agency with that of the three English companies was the result of the personal efforts of Manager Macdonald, who felt that the union of the two departments would not only secure better results to all the companies, but would afford him larger and more satisfactory opportunities for the exercise of his own special abilities. At the suggestion of Mr. Macdonald, therefore, the President of the Connecticut, J. D. Browne, visited this city last month to consider the proposed consolidation. The proposition being entirely satisfactory to all parties concerned, the seasonable opportunity was

promptly embraced, and the two departments were quietly united.

The San Francisco office of the four companies will be that heretofore occupied by Manager Dickson—the large and handsome office in the Safe Deposit Building, at the southeast corner of California and Montgomery streets.

### A Law Regulating Co-operatives Needed.

All the principal or populous States, with the exception of California and one or two others, have laws regulating co-operative life and accident insurance. New York, Massachusetts, Ohio, Kansas and Canada have excellent laws governing the assessment companies, while other States, notably Missouri, Iowa, Illinois, Michigan and Pennsylvania, have similar, though perhaps less efficacious laws. Each State requires annual reports of the condition and business of the co-operatives. The members are thereby enabled to check the dishonest designs of managers, and need not be grossly deceived as to the record and paying capacity of their respective associations. Licenses are refused to men of bad character, and not renewed when the association is in bad standing. Books are subject to the inspection of the Insurance Department in New York. If in bad condition the Commissioner may apply for an order of court restraining the association from doing business. In Kansas bonds are required of the managers. In Massachusetts every assessment association must pay the face of its certificate or "shut up shop." In Missouri the co-operatives are subject to the general insurance laws. In Ohio the Insurance Commissioner may begin legal proceedings against any co-operative which he believes to be dishonestly conducted.

None of the foregoing provisions is objectionable. It would be well if they all, and other provisions, were incorporated with the insurance laws of California. Many local assessment humbugs are swindling the people, and they are ably seconded by an incoming flock of Eastern vampires. There is no law to restrain their greed, no law to compel an accounting of their funds, no law to protect the benefi-

aries of deceased members, no law to close the hat-passers when dishonestly managed, nor to exact any statement of their standing. Legitimate insurance companies are regulated, banks and railroads are regulated, but any fool, any dead beat, any rascal can start a swindling life or accident insurance company without legal hindrance or regulation, providing he collects premiums after instead of before death. California invites all the wildcat life insurance schemes of the country to prey upon her citizens without fee, restriction or official investigation. Legitimate, worthy enterprises, with money to fulfill every engagement, are hedged about with all sorts of restrictive and frequently annoying laws; but the hat-passing insurance adventurer is at liberty to start without a dollar of capital or assets, and deceive the public, and bluff claimants, and swindle widows and orphans, and run away with the funds at last, without one solitary law designed to restrain his cupidity or inform his victims.

This condition of things is shameful. It is a reflection upon the common sense of our legislators. It is a condition of things that is responsible for such swindles as the Universal Benevolent Association, the Safety Fund Association, the Pacific Mutual Self-endowment Association, the People's Life and Accident Benevolent Association, and other "busted" San Francisco co-operatives. The absence of any law regulating assessment insurance is also responsible for the organization and advent of similar frauds whose names we need not enumerate.

The present is a seasonable time for the discussion of this subject. The political campaign has begun, and candidates for the next legislature will soon be soliciting the suffrages of their fellow citizens. If the dissatisfied and cheated claimants of compromising, dying and dead co-operatives will state their unhappy experience they can readily exact from candidates a pledge of suitable legislation. Life and accident agents can exact similar pledges, and they may properly solicit and expect the moral support and personal aid of the fire agents. The fraternal societies, and the

better class of business co-operatives, if there is a better class, should contribute their influence to secure the passage of any law designed to prevent the organization and operation of fraudulent assessment enterprises. The local press, too, should be appealed to for aid and encouragement.

No honestly managed co-operative, no co-operative that pays any considerable portion of its claims, no co-operative that has moderate expenses, will object to the enactment of any law that compels it to be reasonably honest, to submit its books to the inspection of the Insurance Commissioner, and to give a yearly accounting, under oath, of the moneys it has received from members. If any co-operative objects to such a law the public may be certain that the objection proceeds from men whose gains are obtained dishonestly, from men whose association does not pay legitimate claims in full, and is expensive, litigious, a repudiator and probably a swindle.

There is no good reason why the co-operatives should not be subject to as strict laws as the regular life companies, or the fire companies, banks or railroads. Why should a company with millions of assets, which pays every claim in full, and is able to discharge all its liabilities—why should such a company be required to report in detail its condition, receipts and expenditures, while an association without a dollar of assets, unable to discharge any of its liabilities until it has taken up a collection, which pays few or no claims in full, and repudiates many, is not subject to any law? The discrimination is unjust to the former, and detrimental to the public which buys co-operative insurance. People who buy co-operative insurance, who pay premiums after the death of a fellow member, have the same right to legislative protection, the same right to official statements of the disposition of their money, as people who buy legitimate insurance and pay their premiums before the death of a fellow member.

The passage of such a law as we are discussing would certainly conserve the interests of every honestly conducted hat-passer, the fraternal especially; for it would narrow competition by "weeding out" most of the weaker hat-passers and the notorious

swindles, like the self-endowment humbugs; but we are not certain that the law would help the level-premium or old-line companies. Under the present system, whereby the co-operatives are free to do as they please, the record they are making is so bad that they are creating most wholesome feelings of distrust and disgust in the public mind. With fewer co-operatives there will be greater ability to pay claims and less temptation and less necessity to repudiate them. But simple justice to an ignorant and confiding public requires the enactment of some stringent law governing assessment insurance associations in this State; and the *Coast Review* therefore lifts its voice in favor of such a law, and asks the co-operation of every fair-minded and intelligent reader.

### Our Educational System.

Our public schools, and all schools, in fact, are faulty, less in what they teach than in what they fail to teach. Necessarily much is taught for discipline's sake that is of no practical value; but we believe that more serviceable knowledge may be imparted with excellent practical results. The mental biceps may be developed as thoroughly by pounding a bag of useful facts, as by banging away at a collection of leathery information for which the pupil will have no earthly nor celestial use. The simple, fundamental conditions and signs of health should be as familiar to young scholars as the primary elements of any study; and the older scholars should be early grounded in all the simpler business methods. Of equal importance is a knowledge of the rudimentary principles of life and other insurance. If the value of life insurance as a barrier to adversity, and the duty of every man to insure according to the extent of his duty, were early impressed upon the youthful mind, through an enlightened system of public instruction, life insurance would be so general in all civilized countries that its cost would be reduced to a minimum, and destitute widows and orphans unknown. The training of the understanding and the training of the body should go together. The ancients

were wiser than the moderns in this respect, and their gymnasiums turned out perfect specimens of physical manhood and womanhood. We in America are specially culpable in this matter. Our schools have been hot-houses for the forcing of an unhealthy growth of the mind, and the creation of numerous disorders of the body. The foolish cramming system develops the memory at the expense of the thought capacity, and yearly turns out an army of young men and women feeble in body, strong in memory, skilled in impractical knowledge, glib with the thoughts of others, and sadly deficient in the ability to think sturdily and sensibly for themselves. We might enumerate many special defects of the curriculum and the system. There is, however, a neglected art—an art in which the reader is of course proficient—that should be taught in the public schools. It is the art of being agreeable. Seriously, the ordinary forms and expressions of courtesy, due from one to another, are as important as a knowledge of the capital of Senegambia, or the “principal products” of Kamtchatka, or the correct spelling of words which the pupil may never again see in print. But we have written this article, primarily to “fill up,” and secondarily to impress the reader with the utility of teaching life insurance in the public schools. We have at least achieved our main purpose. The *Coast Review* shall go to press at once, and the cry of “more copy” will not vex the editorial ear for another fortnight or so.

A young widow in Waukesha, whose husband had been dead for a month, and whom she had always supposed free from the small vices, was overhauling his clothes the other day. She found a large plug of tobacco in a coat pocket. “Oh, George, George!” she exclaimed despairingly, “you and I will never meet in the good world!” In another pocket of the same garment she found a life insurance policy for \$5,000, of which she had before known nothing, and she burst forth exultingly: “Oh, yes, we will, we will! Heaven will forgive him his one little fault!”—*Chicago Tribune*.



### British Life Notes.

We extract the following paragraphs from a series of articles on life insurance now being printed in *Truth*, a London weekly journal:

There is no doubt that life insurance is one of the most beneficial institutions. It is a duty and a necessity to all whose incomes depend on their personal exertions, and it is a most important factor in a nation's life, as being eminently conducive to thrift.

I take it that we need not be too proud to learn from other countries, and if there are points of superiority in some of the American offices—such as the absence of contested claims, incontestable policies, fuller particulars of accounts and assets, and closer supervision—why should we not take a leaf out of their book?

Our British companies are not so well placed as their American and certain Colonial competitors, who are able to invest their funds at a considerable higher ratio. But, perhaps, the greatest drawback for our British offices has been the enormous depreciation of house and agricultural property.

The results achieved by our British offices are indeed splendid, yet they are dwarfed by those of American offices. The Americans can well boast of the rapid development of their comparatively young life assurance system. Their life assurance system is a grand monument of national thrift, fostered by wise, if somewhat parental, legislation in the shape of State supervision.

The catastrophe of the Albert and European offices, although it happened years ago, is not yet forgotten, and proved nothing less than a public misfortune. There have been minor collapses since, such as that of the Emperor last year; but that concern was known to be insolvent. The most recent scandal is that of the Briton Medical and General—an office which in its time has absorbed close upon a dozen other companies. The serious loss threatening the

policyholders in this unfortunate concern, in consequence of disgraceful management and an abstraction of securities to the tune of £100,000, points the lesson which I have already been preaching. If it be a fact, as is currently reported, that the audit was generally preceded by a champagne luncheon, and that the auditors were deceived by bundles of dummy securities, of which they examined only the documents on the top or bottom, without discovering the blank sheets of parchment in the centre, let the truth be told so as to serve as a warning to others.

The affair of the Briton Medical and General is a strong argument in favor of government supervision as introduced in the United States. Compared with the American returns, the accounts filed by our companies with the Board of Trade are entirely inadequate. Our British law provides the most scanty protection for policyholders. The statements furnished are very meagre, and in some, secrecy of accounts and investments is carried to a most absurd extreme.

### Chicago's New Fire Boat.

Chicago's new fire-boat is described as follows: There is a single "Scotch" boiler 11 feet 6 inches in diameter, and 16 feet long, which is big enough to furnish all the steam necessary to run the pumps and engines "wide open" simultaneously, and still have plenty of reserve power. The engine is double, with big pressure cylinders of 20-inch stroke, and the screw is 8 feet in diameter with a 12-foot pitch. The dimensions of the hull are: Length over all, 105 feet; length of keel, 95 feet; beam, 24 feet 8 inches; depth, 11 feet; extreme draft, 8 feet 10 inches; displacement, 201 tons. The pumps, which are being built in the East, will be the most powerful ever put into a fire-boat. Two 6-inch copper pipes run forward from the pumps, one on either side of the deck-house, just above the deck line. Forward, there are fourteen 3½-inch gates, seven on each side, to which hose may be coupled, so that fourteen streams may be played from her at once if necessary.

## The Pacific Insurance Union.

### NEW CONSTITUTION AND BY-LAWS ADOPTED.

On the 26th ulto. the Pacific Insurance Union perfected and adopted a complete revision of its constitution and by-laws.

Without attempting to point out the difference between the original and amended constitution, we may say that under the latter all agents throughout the territory under the jurisdiction of the Union—viz., the States of California, Oregon and Nevada, and the Territories of Washington, Arizona, Utah, Idaho and Montana—are hereafter to be held to a direct accountability for a strict compliance with all regulations and rates of the Union.

Every member of the Union, and every agent and sub-agent, is bound, generally, to conform to all its rates and regulations;

To submit to the General Manager of the Union a report of each of his transactions for verification;

To pay, or offer to pay, brokerage or commission only to such parties as may be, by the terms of the constitution, authorized to receive it;

Not to pay any unauthorized discount or abatement to any person, nor to make or offer to any person not so authorized any valuable inducement to gain patronage.

Members of the Union agree to remove their agency from any agent who shall have been three times convicted of violating any rate or rule of the Union, and from any agent convicted of having used the money of any company represented by him, for his own private purposes.

The rate of commission is limited to 15 per cent. on all classes of business other than what is known as field insurance, on which the rate is established at 20 per cent. To this rule there is an exception in favor of the agents at Portland, Salt Lake City, Los Angeles, and a few other important points. Furthermore, certain existing special contracts constitutionally in force on February 3d, 1886, under which agents receive compensation exceeding the above rate from members exclusively represented by them, are recognized and may be continued.

The rate of commission payable to solicitors (who must devote their entire time to insurance business in the employ of one member, and who must hold certificates from the general manager) and to duly enrolled brokers; also the rate of commission on interchange of business between members of the Union or between their agents, is also limited to 15 per cent., the exception being field insurance on which the rate of commission on such interchange only may be 20 per cent. These rates represent the aggregate commissions that may be paid, including brokerage.

It is made an offense to even seek to obtain compensation in excess of the rates above provided.

The general manager has power to examine the books of members and agents, and to examine members and agents under oath.

Complaints against members or agents are first investigated by the General Manager, who thereafter notifies the accused of his findings, and imposes penalties. From the findings of the general manager it is provided that the accused may appeal to an arbitration committee, who, after further investigation, report in writing to the general body, whose action thereafter is final.

The penalties for violation of the constitutional provisions may be fines only, or cancellation of the business, involved with prohibition to write the same risk within one year thereafter—either or both. The prescribed fines or penalties must be paid into the treasury of the Union before an appeal can be entertained.

The money penalties are graded at from \$25 to \$250, and there is provision for removal of agent, or expulsion from the Union, in case of repeated violation of obligations of either agents or members.

Members and agents are held directly responsible for their acts; also, for the acts of their surveyors, solicitors, or other employés.

Language or conduct tending to reflect unfavorably to the Union, or on any member thereof, or on any company represented by them, is among the list of offenses for which a penalty is prescribed.

The enrolled brokers in San Francisco

The enrolled brokers in San Francisco are practically held to the same obligations which are imposed upon local agents, and the certificate of any solicitor, or the enrolment of any broker, may be annulled at any time for good and sufficient reasons.

Provision is made for the avoidance of non-concurrence in policies.

An insurance on property for a longer period than one year is forbidden, except in case of dwellings, schools, churches, public buildings and farm property, which may be written for longer terms under special regulations.

The general management of the affairs of the Union is in the hands of a committee of nine acting in concert with the General Manager, who is the chief executive officer.

The powers of the Executive Committee are well defined and are ample.

Local unions are to be established at the more important business centers at the discretion of the Executive Committee, and local agents are required to join the same or forfeit their agencies.

The entire business has been gone over very carefully, and months have been devoted to its consideration; and it has been under the general supervision from time to time of the general body. The provisions have been carefully drawn, and the constitution was finally adopted by an almost unanimous vote of the Union—there being only one dissenting voice.

### The Home Accident Association.

A SAN FRANCISCO CO-OPERATIVE REFUSES TO PAY A CLAIM IN FULL, BECAUSE NOT LEGALLY LIABLE.

Joseph Lane, of Angel's Camp, Calaveras county, Cal., was insured in the Home Accident Association of San Francisco, for \$5,000—or rather, he held an accident certificate in that hat-passer for that sum. The classification was "ordinary," the date of insurance in February, 1886. His beneficiary was his wife, Hannah. On or about July 1st, 1886, Mr. Lane was killed by the explosion of an air compressor.

Mrs. Lane, the beneficiary, applied to the Home Accident Association for the \$5,000 insurance called for by her husband's cer-

tificate, but she was informed by the officers that there was not sufficient money in the "Benefit Fund" to pay the certificate. They told her that an assessment would have to be levied and collected to pay the certificate, but added that the single assessment to which she would be entitled, under the terms of the certificate, would amount to only a little more than \$3,000; and, further, that the association would not be liable for a dollar more. Mrs. Lane consulted the best legal talent in the city, and was advised to take whatever she could get in settlement of her claim, as she had no recourse in law. The association has no property to levy execution upon.

This Home Accident Association—that sells \$5,000 insurance when it designs to pay, and can pay, only three-fifths of the face of a certificate—is the accident branch of the Home Benefit Association of this city.

### The Sun Fire Office and the Insurance Commissioner.

Messrs. Hutchinson & Mann, general agents of the Sun Fire Office of London, have sent the following reply to Insurance Commissioner Wadsworth's notification to discontinue doing business for that company until it had filed the statement required by law. They take the position that the certificate issued by Commissioner Knight remains in force for the year granted, and they will, therefore, continue to do business for the company at least until May 1, 1887, when foreign companies must file their statements:

SAN FRANCISCO, Aug. 20, 1886.

HON. J. C. L. WADSWORTH,

Insurance Commissioner for California,  
San Francisco, Cal.

DEAR SIR: Replying to your communication requesting us to discontinue doing any business in the State as managers for the Sun Fire Office, of London, England, we beg leave to say: That upon applying to the Insurance Commissioner in February last to issue a certificate to said company to transact an insurance business in this State, there was filed in the Insurance Department of the State a statement exhibiting the condition and affairs of that company on the 31st of December next preceding. This statement was accepted by your predecessor as being in compliance with the law, and valid until the time should arrive for another statement to be filed. Section 611, Political Code



of Cal., requires foreign companies to file their statement on or before the first day of May. This statement was filed on February 25th, 1886, and the law, as we are informed, does not require any other statement, document or paper whatever to be filed until the first day of May, 1887. We claim that the Insurance Department of the State, through the Hon. Geo. A. Knight, its then Commissioner, granted to the Sun Fire Office, of London, England, full authority to transact an insurance business until the first day of May, 1887, the time named for the filing of the next annual statement, and in acknowledgement thereof received in payment the annual fee due the State. You have been advised by the Hon. Attorney General, as we are informed, that no power is given you to recall or cancel a certificate issued by your predecessor.

A statement duly sworn to and properly verified at London, by the American Consul, and filed in the Insurance Department of the State on February 26th, 1886, showed that the assets of the company were in excess of its liabilities over five millions of dollars on December 31st next preceding.

We have been advised that under the certificate already granted to the Sun Fire Office that we, acting as its agents, have full authority to transact insurance business for the said company until the first of May, 1887, and that in so doing we are acting within the law and its requirements. Any possible difference on the subject, between your department and our company, can only be a purely legal one, and in view of the opinion of the Hon. Attorney General, we feel it our duty under all circumstances to continue such business in behalf of the company. Yours respectfully,

HUTCHINSON & MANN,

Gen'l Managers of the Sun Fire Office of  
London, for California.

### Co-Operative Rascality.

If a man sells you a given quantity of anything, and receives the money therefor, when he does not intend to deliver the goods, and knows that he cannot deliver them, that man is certainly dishonest. In plain, every-day English, he is a rascal. Well, the Home Accident Association, of this city, and other hat-passers, are disposing of goods—of so-called insurance—which they know they cannot deliver, and therefore do not intend to deliver. They insure a man for a large sum, and collect fees and dues and levy assessments graded for the payment of a stipulated sum of money. If his claim matures by death, they put the beneficiary off with a partial payment, alleging that that is the extent of their liability and all that they can collect. An example of

this form of contemptible rascality, which law should prevent, is given elsewhere in this issue. It is because a law regulating co-operatives might put a stop to such dishonest but profitable practices, that the hat-passers oppose the enactment of any legislation curtailing their opportunities to deceive and cheat the public.

### Reduction of Fire Losses by an Inspection System.

At the annual convention of the National Association of Fire Engineers, held at Providence, R. I., last week, Osborne Howes, Jr., Secretary of the Boston Tariff Association, read a paper on the building inspection system carried on by the Association. Mr. Howes said:

"In the city of Boston and the State of Massachusetts whatever has been secured in the way of improved building laws, in the way of more efficient fire departments and in the way of increased water supplies has been largely the result of the personal efforts of insurance men. For several years past the fire underwriters have made ineffectual attempts in Massachusetts to have created the office of fire coroner, to make inquests into all fires of suspicious origin, and actively work to secure the punishment of incendiaries. And yet, although such an officer would work in the interest of the community and not, except in a slight degree, in the interest of the insurance companies, public opinion has, until the last session of the legislature, opposed the creation of such offices. Finding how difficult it was to hope, by the public statutes and ordinances, to reduce the annual fire loss, of the city of Boston, the fire underwriters of that city determined a year ago last spring to enter upon a systematic work of fire prevention on their own account. The plan proposed was not a new one, but was, on the contrary, an adaptation of the system which has been in use for a number of years past among what are known as the mill mutual companies, and which has, under their direction, been productive of remarkable results.

But its application to a city was essentially a new method. The central part of

the city of Boston was divided into districts, each of these containing as many manufacturing, mercantile and storage risks as could be conveniently examined and reported upon by a single inspector in the space of three months. Instructions were given to have each of the risks in these districts carefully examined, and for this purpose cards, similar to that which I now hold in my hand, were provided. The inspector is required to answer in a definite manner those of the questions on this card which the conditions of the risk will permit him to answer, and those which are not applicable to the risk must be checked off as a means of indicating that the interrogatory has not been overlooked. The card is arranged in such a manner that the defects in a risk appear in one column and its merits in another, so that at a glance it is possible to determine whether the risk is good, bad or indifferent. The results of each day's work are turned in by an assistant to the chief inspector, who, having examined them, causes the occupants and owners of the buildings where defects are found to be notified of them.

Frequently all that is needed is this notification, and it is to the credit of owners and occupants of buildings that when their attention is once called to defects which can be remedied without material expense, and which, if corrected, will tend to lessen the fire risk, they show a readiness to immediately remedy them. But there are others who take an entirely different view of the matter. They assume that, as they pay the insurance companies for protection against fire, it matters not in the least to them whether their premises take fire or not. There is no statute law or ordinance that can reach cases of this kind. In the city of Boston our fire department and inspection of buildings' department are entirely powerless to correct what the members of these two departments realize to be serious and dangerous defects. The fire underwriters would be in an equally helpless condition if it were not for the power they acquire by associated action. Property owners of the class I have described are quickest touched through the pocket nerves, and wherever it is found that own-

ers or occupants of buildings absolutely refuse, after repeated requests, to correct admitted defects, the insurance board increases to such persons the cost of their insurance by arbitrarily raising their rate of premium to a point usually fifty per cent. higher than its normal figure. This is an heroic form of treatment, but it seems to be the only form of treatment by which satisfactory results can be secured.

### FIRES.

The August losses (\$808,899) were the largest on the Pacific Coast since the great Virginia City fire.

The fires, as reported to the COAST REVIEW, were as follows for the first eight months of 1885 and 1886:

	1885	1886
January.....	\$155,218	\$106,924
February.....	131,626	93,789
March.....	159,551	120,161
April.....	136,542	382,879
May.....	192,321	239,703
June.....	228,681	527,621
July.....	242,331	378,337
August.....	194,202	808,899
Total.....	\$1,440,472	\$2,279,976

August 15, San Francisco, frame hay barn:

London & Lancashire.....	\$137
Manchester.....	137
Caledonian.....	137

Aug. 16, Tulare, general fire:

Insurance Co. of North America.....	\$5,000
Ætna.....	4,915
Hartford.....	2,900
Sun, New Orleans.....	1,000
Anglo-Nevada.....	196
New York Underwriters.....	3,921
Home & Phoenix.....	5,175
German-American.....	1,300
North British.....	2,725
Union, N. Z.....	3,175
California.....	2,123
Liverpool & London & Globe.....	12,245
Amazon.....	980
American Central.....	2,480
Pacific.....	1,480
Westchester.....	750
City of London.....	600
Pennsylvania.....	5,000
North German.....	450
Home Mutual.....	3,135
Prussian National.....	2,454
London & Provincial.....	104
Helvetia.....	209

Commercial Union.....	\$2,200
Scottish Union.....	1,775
National, Conn.....	1,010
Oregon.....	2,000
Fireman's Fund.....	4,338
Guardian.....	2,775
Southern California.....	6,490
Security.....	485
Washington.....	1,047
Orient.....	1,726
Phoenix, London.....	3,000
Western, Toronto.....	850
British America.....	2,300
Union, San Francisco.....	1,441
Continental.....	1,150
Firemen's, Newark.....	2,000
Traders.....	500
Oakland Home.....	1,285
Atlas.....	1,856
National, Ireland.....	5,256
Connecticut.....	1,500
Royal, Norwich Union & Lancashire.....	536
Hamburg-Bremen.....	314
Imperial, London, Northern & Queen.....	5,500
Sun, San Francisco.....	4,895
Boston Underwriters.....	4,082
Michigan.....	625
Williamsburg City.....	2,539
State Investment.....	11,118
Howard.....	3,200
Fire Ins. Ass'n, London.....	6,750
Security.....	485
German, Pa.....	1,000
Caledonian.....	3,703
Concordia.....	1,500
German, Ill.....	2,000
London & Lancashire.....	1,254
Manchester.....	157

Total.....\$156,939

August 5, Stockton, Cal., general fire —  
planting mill, lumber yard, dwellings, etc :

Traders.....	\$1,500
Helvetia.....	1,000
London & Provincial.....	906
Lion.....	800
Orient.....	600
Washington.....	600
Continental.....	1,000
Sun, S. F.....	1,900
Imperial, London, Northern & Queen.....	1,900
Union, S. F.....	1,050
Liverpool & London & Globe.....	500
Phenix, Brooklyn.....	5,200
American, Phila.....	3,500
Oakland Home.....	2,424
Anglo-Nevada.....	5,000
Union, N. Z.....	7,000
California.....	5,000
Hamburg-Bremen.....	2,350
Niagara.....	2,350
Boston Underwriters.....	1,900
Williamsburg City.....	1,455

Franklin.....	\$1,000
Michigan.....	1,000
Northwestern National.....	2,350
State of Pennsylvania.....	2,350
American, N. J.....	300
Connecticut.....	2,350
Westchester.....	2,350
Amazon.....	2,350
Southern California.....	9,400
Guardian.....	4,700
Pacific.....	2,350
American Central.....	2,350

Total.....\$80,785

August —, California, grain in field:

Hartford.....	\$2,240
Anglo-Nevada.....	2,240
Balfour, Guthrie's Agency.....	2,240
Etna.....	2,240

Total.....\$8,960

August 21, San Francisco, general fire:

Hartford.....	1,550
Ins. Co. North American.....	750
Etna.....	8,700
Transatlantic.....	2,252
New Zealand.....	10,725
Security.....	1,630
London & Lancashire.....	3,650
Manchester.....	1,250
Caledonian.....	3,000
Oakland Home.....	6,844
Western, Toronto.....	1,750
Southern California.....	5,500
Firemans Fund.....	2,250
National, New York.....	500
Howard.....	2,250
Home & Phenix.....	593
North British.....	5,400
German-American.....	5,900
Lion.....	3,747
Scottish Union.....	500
Oregon.....	140
National, Conn.....	250
Washington.....	2,750
Orient.....	1,550
State Investment.....	5,200
New Hampshire.....	3,750
Sun, N. O.....	1,250
Amazon.....	4,000
Pacific.....	2,750
American Central.....	5,500
Atlas.....	1,375
National, Ireland.....	1,375
Boylston.....	125
Royal, Norwich Union & Lancashire.....	500
Helvetia.....	1,500
Svea.....	7,000
Connecticut.....	1,000
Anglo-Nevada.....	7,000
Fire Assurance Assn., Phil.....	5,000
Commercial, S. F.....	250
Liverpool, London & Globe.....	500



Hamburg-Bremen.....	\$2,250
Prussian National.....	1,250
South British & National.....	250
Home Mutual.....	500
Niagara.....	1,400
Phoenix, London.....	4,200
British American.....	1,250
New Orleans.....	3,000
Girard.....	510
Firemans, Baltimore.....	2,500
Citizens, St. Louis.....	2,000
St. Paul.....	750
Firemans, Newark.....	2,500
Pittsburgh Underwriters.....	250
Continental.....	2,000
Sun, London.....	2,000
Pittsburgh Underwriters.....	1,000
Traders.....	3,700
German, Pittsburgh.....	1,100
German, Illinois.....	4,900
Fire Ins. Association, London.....	10,907
Phenix, Brooklyn.....	21,675
American, Phila.....	4,800
Pennsylvania, Phila.....	4,050
State of Penn.....	125
Providence-Washington.....	3,300
California.....	2,500
Union, N. Z.....	5,375
Springfield.....	6,700
Merchants, N. Y.....	1,550
Clinton.....	1,600
Concordia.....	1,750
Glens Falls.....	1,500
Merchants, N. J.....	1,900

Total.....\$227,848

#### August 23, San Francisco, dwelling:

Hartford.....\$275

#### August 28, San Francisco, brick building:

American, Philadelphia.....\$300

#### August 3, San Francisco, building and household furniture:

Prussian National.....\$723

#### August 26, San Francisco, stock of furniture:

City of London.....\$175

#### August 1, San Francisco, brick building:

California.....\$388

#### August 25, San Francisco, office furniture and merchandise:

State Investment.....\$425

#### August 23, San Francisco, dwelling:

Connecticut.....\$1,550

#### August 26, San Francisco, furniture:

Imperial, London, Northern & Queen.....\$150

#### June 20, San Francisco, machinery:

Commercial, S. F.....\$907

#### August 14, San Francisco, printing office:

Commercial, S. F.....\$193

#### August 14, San Francisco, books and stationery:

Fireman's Fund.....\$220

Howard.....439

#### August 20, San Francisco, dwelling:

Guardian.....\$350

#### August 18, San Francisco, saloon:

Southern California.....\$250

#### August 4, Johnsonville, Cal., general merchandise:

Hartford.....\$750

#### August 21, Chico, Cal., dwelling:

Insurance Co. of North America.....\$550

#### August 4, Chico, Cal., building and hotel, etc.

Westchester.....\$1,000

State Investment.....1,275

#### August 21, Fresno Co., Cal., building and saloon:

Pacific.....\$1,125

#### August 13, Folsom, Cal., general fire:

Home & Phoenix.....\$6,600

Liverpool & London & Globe.....5,600

Home Mutual.....1,550

Commercial Union.....6,550

National of N. Y.....5,200

North British.....285

State Investment.....1,337

Royal, Norwich Union & Lancashire.....800

Hamburg-Bremen.....1,000

Merchants, N. J.....500

Fire Ins. Ass'n, London.....1,000

Total.....\$30,422

#### July 13, Red Bluff, Cal., frame dwellings:

Commercial, S. F.....\$600

#### August 5th, near Hollister, Cal., grain in field:

Sun, San Francisco.....\$880

#### August 16th, near Santa Cruz, Cal., frame dwelling:

Phenix, Brooklyn.....\$2,383

#### August 18th, Santa Cruz Co., Cal., frame dwelling:

Phenix, Brooklyn.....\$200

#### August 31, Vallejo, Cal., building:

Imperial, London, Northern & Queen.....\$250

#### August 11, Sacramento, Cal., dwelling and barn:

Sun, San Francisco.....\$250

#### August 8, Napa county, Cal., dwelling:

Connecticut.....\$600

#### August 9, Grass Valley, Cal., frame dwelling:

State Investment.....\$653

August 22, Grass Valley, Cal., dwelling:  
Sun, San Francisco.....\$500

August 27, Redwood City, Cal., office:  
Sun, San Francisco.....\$200

August 4, Clarksville, Cal., frame dwelling,  
brick store building, merchandise:  
American, Philadelphia.....\$ 134  
Phenix, Brooklyn.....134  
Liverpool & London & Globe.....2,801

August 6, Orland, Cal., frame dwelling:  
Phenix, Brooklyn.....\$377

August 5, Los Angeles county, Cal.,  
thresher:  
Sun, San Francisco.....\$500

August 4, Sacramento county, Cal., hay:  
South British & National.....\$574

August 8, San Benito county, Cal., grain  
in field:  
Firemans, Newark.....\$3,500  
Agricultural.....2,900  
Continental.....1,900  
Scottish Union.....120  
National, Conn.....120  
Total.....\$8,540

August 18, Tehama county, Cal., barn:  
Home & Phenix.....\$600

August 18, Tehama county, Cal., grain  
in field:  
Lion.....\$300

August 6, Stanislaus county, Cal., grain  
in field and harvester:  
Pennsylvania, Phila.....\$214  
American, Phila.....214  
State of Penn.....107  
Phenix, Brooklyn.....321  
Oakland Home.....725  
New Zealand.....554

August 12, Humboldt county, Cal., frame  
dwelling:  
Phenix, Brooklyn.....\$1,043

August 11, Yreka, Cal., building and mer-  
chandise:  
Imperial, London, Northern & Queen.....\$100  
Royal, Norwich Union & Lancashire.....2,990  
Liverpool & London & Globe.....2,000  
Scottish Union.....1,000  
Total.....\$6,090

August 12, Merced, Cal., building and  
stock:  
South British & National.....\$262  
City of London.....262

August 7, Sacramento county, Cal., build-  
ing and stock:  
Union, N. Z.....\$761

July 28, Red Bluff, Cal., baled hay:  
Liverpool & London & Globe.....\$900

August 9, Ross Valley, Cal., dwelling:  
Phenix, London.....\$3,000  
Western, Toronto.....3,000

August 2, San Jose, Cal., warehouse:  
Home Mutual.....\$1,000

August 5, Tulare county, Cal., building:  
Imperial, London, Northern & Queen.....\$350

August 28, Sacramento, Cal., frame dwell-  
ing:  
Liverpool & London & Globe.....\$500

August 13, Marysville, Cal., dwelling and  
stable:  
Hartford.....\$146  
Firemans Fund.....1,342  
Ins. Co. of N. A.....1,110

August 19, Lincoln, Cal., piano:  
Firemans Fund.....\$150

August 18, Germantown, Cal., general  
fire:  
Firemans Fund.....\$1,195  
London & Lancashire.....800  
Scottish Union & National.....500

July 20, Madera, Cal., hotel:  
Connecticut.....\$250

August 19, Livermore, Cal., dwelling:  
Guardian.....\$1,000

August 14, Tracy, Cal., grain in field:  
Southern California.....\$300

August 9, Traver, Cal., harvester:  
Lion.....\$500  
Washington.....500

August 2, Dublin, Cal., barn:  
Southern California.....\$900

August 8, Red Bluff, Cal., Chinese mer-  
chandise:  
Lion.....\$967  
Orient.....967  
Washington.....967

August 13, Visalia, Cal., hay:  
Lion.....\$300

August —, Santa Clara county, Cal., grain  
in field:  
Lion.....\$429

August 18, Panoche, Cal., frame store  
and merchandise:  
London & Lancashire.....\$2,000  
Manchester.....2,000

August 6, Red Bluff, Cal., general fire:  
London & Lancashire.....\$691  
Manchester.....691  
American, N. J.....425

August 14, Stockton, Cal., dwelling: Oakland Home.....\$160	August 16, Alameda county, Cal., barn: Home Mutual.....\$700
July 23, San Francisco, tannery: New Zealand.....\$1,096	August 25, Tehama county, Cal., barn: Lion.....\$200
July 20, Alameda, Cal., furniture factory: New Zealand.....\$590	August 30, Sacramento, Cal., agricultural warehouse: Commercial Union.....\$1,200 Phoenix, London.....1,200
August 23, San Francisco, dwelling: Scottish Union.....\$1,389	August 30, Sutter Creek, Cal., dwelling: Lion.....\$685
August 27, San Jose, Cal., furniture: Scottish Union.....\$400	August 5, San Rafael, Cal., dwelling and furniture: Union, S. F.....\$3,700
August 25, Nevada county, Cal., dwell- ing: London & Lancashire.....\$600	August 21, Redding, Cal., dwelling: Lion.....\$800
August 27, Yuba county, Cal., frame dwelling: American, N. J.....\$700	August 22, Black Station, household fur- niture: German American.....\$300
August 9, Marin county, Cal., frame dwelling: Manchester.....\$3,000	August 11, Sacramento, Cal., frame barn: German-American.....\$1,500
August 14, Butte City, Cal., frame build- ing: Howard.....\$133	August 18, Orange, Cal., frame dwelling and contents: Liverpool & London & Globe.....\$4,444
August 5, Sacramento, Cal., frame build- ing, furniture, etc.: Oakland Home.....\$1,855	August 8, Los Angeles county, Cal., grain in field: City of London.....\$250
August 19, Lincoln, Cal., dwelling and barn: Home & Phoenix.....\$2,000	August 18, Visalia, Cal., frame building and lumber yard: North British & Mercantile.....\$1,055 German-American.....410 Liverpool & London & Globe.....2,000 Anglo-Nevada.....2,000 Commercial Union.....1,500 Total.....\$6,965
August 22, Sutter county, Cal., hop kiln: Home & Phoenix.....\$1,200	August 14, Santa Clara county, Cal., grain and hay: California.....\$1,216
August 12, Sacramento, Cal., frame barn, etc.: Caladonian.....\$1,000	August 12, Fresno, Cal., dwelling and furniture: Guardian.....\$495
August 31, Sacramento, Cal., frame dwell- ing: Firemans Fund.....\$310	August 2, Butte county, Cal., frame ho- tel: Union, N. Z.....\$1,000
August 27, Nevada City, Cal., frame dwelling: Firemans Fund.....\$600	August 31, Tuolumne county, Cal., dwelling and barns: Home & Phoenix.....\$1,750
August 5, Alameda county, Cal., barn: Home Mutual.....\$345	August 18, Santa Cruz county, Cal., dwelling: Ins. Co. of North America.....\$300
August 4, San Jose, Cal., grain in field: Commercial Union.....\$750	August 1, Santa Cruz, Cal., frame building: Oakland Home.....\$100
August 1, Contra Costa county, Cal., sep- arator: Lion.....\$940	
August 12, near San Jose, Cal., grain in field: Firemans Fund.....\$322	
August 19, Alameda county, Cal., grain in field: Home Mutual.....\$400	



August 27th, Nevada City, Cal., furniture:  
Guardian.....\$500

August 39, Glendive, M. T., saloon and dwelling:  
London & Lancashire.....\$850

August 19, Glendive, M. T., merchant:  
California.....\$150  
Norwich Union.....200

August 13, Ogden, U. T., flour mill:  
California.....\$1,658  
Firemans Fund.....1,658  
Lion.....864  
Orient.....1,296  
Washington.....1,296  
Home Mutual.....1,728

Total.....\$8,500

August 17th, Secret Canyon, Nev., quartz mill:

Imperial, London, Northern & Queen.....\$7 500  
Springfield.....2,000  
Fire Ins. Ass'n, London.....2,000  
German, Ill.....2,000  
Concordia.....1,500  
North German.....2,500  
Lion.....2,500  
Orient.....2,500  
Washington.....2,500  
Firemans Fund.....2,500  
Svea.....2,500

Total.....\$30,000

July 8, Eureka, Nev., frame and adobe dwellings:

Commercial, San Francisco.....\$1,034

May 22, Sonora, Cal., threshing outfit:  
Commercial, San Francisco.....\$614

July 6 Helena, M. T., sawmill:  
Norwich Union.....\$1,477

August —, Deming, N. M., hotel:  
Orient.....\$1,500  
Lion.....1,000

August 5, near Portland, Or., dwelling:  
Hamburg-Bremen.....\$2,980

August 6, Portland, Or., frame dwelling:  
Phoenix, London.....\$1,000  
Prussian National.....985

August 13, East Portland, Or., dwelling:  
Connecticut.....\$156  
Scottish Union.....1,200  
National, Conn.....1,200

August 11, Tombstone, Arizona, brick saloon and dwelling:  
Firemen's Fund.....\$500

August 20, Deming, N. M., dwelling:  
Lion.....\$500

August 12, Seabeck, W. T., sawmill:

Home Mutual.....\$2,500  
California.....2,000  
Union, New Zealand.....1,000  
Southern California.....1,000  
Security.....1,500  
Oakland Home.....1,500  
Connecticut.....1,500  
Imperial, London, Northern & Queen.....2,500  
Hartford.....2,500  
Howard.....1,500  
Clinton.....1,000  
Fire Ins. Ass'n, London.....1,500  
Concordia.....1,500  
German, Ill.....1,500  
American, N. J.....1,000  
Caledonian.....1,500  
Manchester.....1,500  
London & Lancashire.....2,500

Total.....\$29,500

August 7, Miles City, M. T., frame building and merchandise:

North British & Mercantile.....\$1,890  
City of London.....1,045  
South British & National.....945  
California.....1,923  
American, Philadelphia.....1,322  
Union, New Zealand.....1,000  
Etna.....900  
Connecticut.....250  
Home Mutual.....860  
Hartford.....1,072  
Washington.....700  
Home & Phoenix.....925  
Lion.....1,500  
National, Connecticut.....450  
Norwich Union.....800  
Clinton.....300  
Howard.....500  
London & Lancashire.....657  
Manchester.....547

Total.....\$17,585

August 5, Portland, Or., merchandise:  
Liverpool & London & Globe.....\$200

August 13, Portland, Or., frame cordage factory:

Liverpool & London & Globe.....\$2,000  
State Investment.....1,500  
California.....1,000  
Imperial, London, Northern & Queen.....2,000  
Anglo-Nevada.....2,000  
Hamburg-Bremen.....2,000  
Fire Ins. Ass'n, London.....2,000

Total.....\$12,500

August 15, Tacoma, W. T., frame barrel factory and wooden ware:

Hamburg-Bremen.....\$715  
Fireman's Fund.....900  
Union, S. F.....715

## August 6, Phoenix, A. T., general fire:

South British & National.....	\$4,076
California.....	145
Union, New Zealand.....	145
Westchester.....	193
Connecticut.....	640
Scottish Union.....	387
Firemans Fund.....	4,000
National, New York.....	700
Phoenix, London.....	5,585
Western, Toronto.....	1,893
Orient.....	2,013
Washington.....	1,466
Lion.....	1,466
London & Provincial.....	814
Home & Phoenix.....	1,440
Ins. Co. of North America.....	1,034
Anglo-Nevada.....	592
National of Ireland.....	682
Springfield.....	1,200
Concordia.....	750
Clinton.....	600
Fire Ins. Ass'n, London.....	1,720
London & Lancashire.....	1,106
Manchester.....	165

Total .....\$32,752

## August 20, Rathdrum, Idaho, country store:

Lion.....	\$1,500
Washington.....	500

## August 10, near Phoenix, A. T., grain in field:

Fireman's Fund.....	\$175
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## August 23, Portland, Or., brick store building and merchandise:

Liverpool & London & Globe.....	\$128
Connecticut.....	213

## August 13, Portland, Or., frame dwelling:

Home Mutual.....	\$500
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## August 10, Tacoma, W. T., building, machinery, etc.:

South British & National.....	\$768
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## May 6, McMinnville, Or. wheat and flour:

Commercial, S. F.....	\$2,000
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## August 10, Umatilla county, Or., frame dwelling:

Phoenix, Brooklyn.....	\$1,500
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## July 23, Pendleton, Or., frame building:

Commercial, S. F.....	\$163
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## August 19, Spokane Falls, W. T., general fire:

Home Mutual.....	\$650
Phoenix, London.....	300
Ætna.....	800

## August 15, Seattle, W. T., dwelling:

Ætna.....	\$2,000
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## August 5, La Grande, Or., general fire:

South British & National.....	\$500
Home Mutual.....	500
Orient.....	1,145
Washington.....	1,145
Lion.....	6,296
Firemans Fund.....	4,500
National, N. Y.....	1,000
Home & Phoenix.....	4,000
Hartford.....	875
Imperial, London, Northern & Queen.....	3,500
National, Conn.....	1,000
Fire Ins. Ass'n, London.....	6,150
London & Lancashire.....	195
Manchester.....	115
Caledonian.....	300
Scottish Union.....	3,138
National, Connecticut.....	1,225

Total.....\$35,607

## August 12, East Portland, Or., dwelling:

Home & Phoenix.....	\$585
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## August 13, Portland, Or., feed stock:

London & Lancashire.....	\$125
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## August 6, Ainsworth, W. T., frame dwelling:

Caledonian.....	\$600
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Grand total.....\$808,899

## CHIPS.

—The case of *Last v. The London Assurance Corporation*, which has gone through all the courts up to the House of Lords, in England, and has been finally decided by the highest tribunal, is one that goes far to prove that whatever else may be said of the courts, no one can possibly claim hereafter that they are by any means infallible. The point in the case was simply, whether or not bonuses returned to policy-holders should be charged against the company as money upon which should be figured income tax. In the Court of Queen's Bench the two Judges had diametrically different opinions on the subject, but the younger yielded, and the decision was against the company. In the Court of Appeal, two Judges held that the money must be taxed, while the third Judge was of a different opinion. The matter was then carried to the House of Lords, that righted the whole matter by declaring that such money was not income to be taxed, as it had been agreed to return it as a bonus to the policy-holders.—*Argus*.

—Superintendent Maxwell announces that whoever places insurance for the Lloyds of London in New York State, subjects himself to the penalties presented for such offenses. The question arose, whether Lloyds, not being a corporation, was subject to the insurance statutes.

—At the recent annual meeting of the Liverpool and London and Globe Ins. Co., the chairman gave a sketch of the origin and growth of the company. It was established in 1836 by prominent business men of Liverpool, who thought that the increasing prosperity of the town would support a local company. They were right. The premiums the first year were £9,970, and in the next ten years they had amounted to £47,763, with a reserve of £125,000; in 1856 they had further increased to £222,000, and the reserve fund had risen to £180,000. In 1866 the premiums amounted to £818,000. This great increase was partly owing to the amalgamation with the Globe Insurance Co., which took place in 1864. The Chicago and Boston fires cost the company £850,000, and reduced the reserve fund to £150,000. These fires increased the premium receipts, however. The payment of its enormous losses gave the company a great reputation, and diverted to it much new business.

—The Northwestern Mutual Life Insurance Co. now occupies its new home office building in Milwaukee. At the formal opening of the building the secretary submitted the following report: Premium receipts for the first six months of 1886, \$1,804,833, an increase of \$235,590 over the premium receipts for the corresponding period in 1885; interest receipts for the six months, \$636,345, an increase of \$50,471 over the corresponding period last year. The amount of loans on bonds and mortgages on July 1, 1886, was \$19,996,725, an increase since January 1, of \$754,100. The total assets of the company amount to \$25,469,158. The amount of new policies issued for the first six months of the present year was \$13,556,288, an increase of \$3,383,926 over the corresponding period last year. The increase in the amount in force since January 1 is over \$9,000,000 and the total amount of insurance in force on July 1, 1886, was \$120,000,000.

—Says the St. Louis *Examiner*: The following came under our notice this week: A row of tenement houses, four in number, each house containing six families above and a store below, each family using a gasoline stove, and one of the stores keeping and selling gasoline, was offered for insurance. The more conservative agents offered to write it at 60 cents for five years, with 15 per cent. off to the broker. It was finally taken at 50 cents for five years, the broker receiving 25 per cent. commission.

—The license of the Homœopathic Mutual Life Ins. Co. of New York to do business in Massachusetts has been revoked by Commissioner Tarbox, owing to an impairment of capital. The impairment, according to the Massachusetts standard of solvency, is \$78,000; according to the New York standard it is \$32,000. The Homœopathic is very appropriately named, for it is a tiny pill of a company, having only \$704,530 assets on December 31, 1885. Its cash capital is \$100,000. The company has not met with any unusual loss from excessive mortality, depreciation of investments, or other exceptional cause, and the impairment seems due to a disproportion of expenses to income. For 1885 its total actual premium income was \$150,825.76, and its expenditure in the single item of commissions and expenses of agents was \$88,562.71.

—At the annual meeting of the shareholders of the Royal Ins. Co., last month, the chairman said: "While the premiums were £22,000 less in amount than in the preceding year, the losses decreased by the large sum of £124,187. The total fire premiums, after deducting the re-assurance premiums, amounted to the grand total of £966,107, while the net losses were £552,275. Deducting commission and expenses of management, the net profit on the fire business was £116,547, and the interest on fire fund and current balances £25,750, together £142,298, being an improvement on the results of the previous year of £93,725. These are eminently satisfactory results, considering the depression of trade which has prevailed, and point to well-selected and judiciously distributed risks."



—Sarah S. Robinson, a widow living at West Somerville, Mass., has been arrested, charged with poisoning her son for \$2,000 insurance in a fraternal assessment society. It is believed that the widow has poisoned eleven persons within four years.

—The fire premium income from the New York city business for the first six months of the past three years, "underground" excepted, was as follows,

Companies.	Jan.-June, 1884.	Jan.-June, 1885.	Jan.-June, 1886.
New York...	\$1,696,838.97	\$1,656,098.46	\$1,680,070.10
Other-State..	751,447.09	683,999.86	726,708.79
Foreign.....	1,056,560.17	1,004,970.75	961,972.66
Totals....	\$3,504,781.23	\$3,345,069.07	\$3,368,751.55

—Eugene F. Guindon, a young man employed in the Pacific Mutual Life Insurance Company's office in this city, was shot on the night of August 28, and died within a few minutes. The shooting was entirely without provocation, and was simply a cold-blooded murder by a vindictive man inflamed with liquor. Young Guindon was the stepson of President Moore, of the Pacific Mutual. He was twenty-two years old, and a bright, industrious, exemplary young man. He had been in the employ of the company for the past seven years, entering the office after graduating at the city high school. His capable and faithful services secured his promotion repeatedly, and at the time of his death he had charge of the loan department of the company, under the supervision of the Secretary.

—A reliable gentleman of Charlotte, N. C., whose name we will give upon proper demand, writes us, under date of July 2, as follows: "The late Col. J. M. Ivey, of Rock Hill, S. C., was 'insured' in these two concerns (the Mutual Reserve Fund Life Association and the Mutual Trust Fund Life Association). He died September 11, 1885, and his policy in the Mutual Reserve was adjusted a few days ago at fifty cents on a dollar, while in the other company his representatives have so far been unable to realize anything; but, I understand, are offered thirty cents on a dollar. Col. Ivey had two policies in the Equitable, which were paid (to Williams, Black & Co., of New York) the day the proofs were received.—*Insurance*, N. Y.

—The Schmidt Label loss has been settled for \$97,762.14, on a total insurance of \$110,000. The fire occurred June 20th.

—A St. Louis paper gives the following figures of the St. Louis business for the past seven years:

	Premiums.	Losses.	Ratio.
Missouri stock companies..	\$891,870	\$356,063	51.45
Companies of other States..	7,205,986	5,173,584	71.80
United States branches....	2,726,052	2,014,058	73.83
Total.....	\$10,623,908	\$7,543,705	71.01

—Says the *Weekly Underwriter*: "We do not by any means believe full insurance to be a panacea for all evils, but we do regard it as a right to which every corporation dealing in insurance is justly entitled. We will go further, and say that without either full insurance or co-insurance, it is impossible for insurance companies to make rates that will be anything but a travesty of justice and equity as between their several customers. It is, therefore, to the interest of the assured that the present uncertainty in the amount covered, and consequent lack of uniformity in rates on the same class of hazards, should be ended, and if this can be done by a co-insurance clause in the new policy without introducing worse evils, we are heartily in favor of the clause as we have always been in favor of the principle."

—The *Western Insurance Review*, of St. Louis, publishes in its August issue a table showing the gross premium receipts and other income, with death losses and all payments to policy-holders, of 45 existing life insurance companies, from the date of their organization to December, 1885. The totals are as follows: Total premiums received, \$1,434,579,052; total interest and other income, \$422,187,227; total death losses paid, \$435,792,590; total paid to policy-holders, \$1,035,166,780; assets, Dec. 31, 1885, \$547,501,629; surplus over 4½ per cent. reserve, \$99,523,414. The results are thus finally summed up:

Death losses to total premiums....	Per cent.	30.37
Total payment (to policy-holders) of total premiums.....		72.15
Payments to policy-holders, plus assets, of total premiums.....		110.82
Payments and assets of total income.....		85.23
Expenses of total income.....		14.77
Expenses of total premiums.....		19.11

—F. M. Gilerist, the former manager of the Alameda county branch of the New Zealand Ins. Co., has been promoted to special agent and adjuster for the company.

—We print elsewhere a posthumous paper on life insurance, by the late Elizur Wright. It is a very interesting paper, and we recommend its perusal to both lay and professional readers.

—Wm. Hesse, Jr., the incendiary brewer, failed to appear for trial, August 31, and his bonds, amounting to \$6,000, were declared forfeited. An account of Hesse's crime appeared in the July COAST REVIEW. He was the Secretary of the Boca Brewing Co., of Nevada county, Cal., and bribed the watchman to set fire to the Boca brewery. The watchman "peached," and Hesse was arrested. It is believed that the incendiary secretary has fled to Victoria.

—The American Fire Ins. Co., of Philadelphia, received \$560,014 in premiums, not including perpetuals, during the first six months of the present year. This is considerably more than the entire premium income (\$432,328) five years ago. The assets of the American on June 30th were \$2,094,421.65, a gain of \$175,989 since January 1st.

—The American Surety Co. captured Samuel B. Roberts, a defaulting Kansas City telegraph operator, last month. The surety company paid the telegraph company the \$2,200 deficit, and then distributed broadcast thousands of circulars describing the defaulter and offering \$350 reward. The rascal was found at Leadville, Colorado.

—Many mechanics lost their tools at the great fire on the night of Saturday, August 21. Their loss prompts a local daily to suggest that the mechanics organize a mutual association for the insurance of their tools. We do not imagine that the authorities or fire underwriters would object, although the statutes require a capital of \$200,000 of every fire insurance company, corporation, or association organized in this State. Workingmen might obviate any legal objection by assessing themselves, through their unions, whenever a loss by fire occurred. But a more sensible and more satisfactory way would be to insure the tools in fire insurance companies.

—A large grain field fire, the other day, was caused by the wheel of the harvester striking fire from a flint. Did any of our readers ever hear of a similar case?

—We print in this issue the paper prepared by President Bromwell, of the California Ins. Co., for the annual meeting of the Fire Underwriters Association of the Northwest. It is entitled, "A Voice from the Pacific."

—Hoyt & Mailliard, having disposed of the city agency of the Oakland Home and the Traders to Comad & Maxwell, have opened an office at 405 California street, with the general agency of the Providence-Washington Ins. Co. and the Security Ins. Co., of New Haven. These gentlemen are also exclusive city agents for the Queen Ins. Co., of Liverpool. Mr. Mailliard was formerly connected with the agency of Falkner, Bell & Co., and Mr. Hoyt has long been engaged in the insurance business in this city. The large brokerage business controlled by Mr. Hoyt, and the agency of these excellent companies, constitute a first-class "plant" for the new firm, and will eventually build up an extensive general business.

—The agents who are most successful in getting business to-day, are either those who are well informed and keep up with the times by constant reading and study, or that other class of agents, who never seem to have the ability to master a single principle of the science of life insurance, but who by persistent talk—the emission of simple wind—saying anything to suit their purpose, quite irrespective of the truthfulness or reasonableness of their statements, overpersuade men to embark in the schemes they offer. It is the latter class of agents that are bringing reproach upon the business. It is they who are responsible for a very large proportion of the lapses which are constantly taking place, and which in some cases represent a very considerable loss to the companies. People find that the truth has not been told them, and that their policies are not turning out according to the representations of the agents, and throw up their insurances in disgust.—*Toronto Budget.*

—August was a remarkably hot month—especially for San Francisco underwriters.

—The Commonwealth is a new New York company, with a cash capital of \$300,000.

—Messrs. Hoyt & Mailliard have fitted up an office in excellent taste at 405 California street.

—The Philadelphia Insurance Chart, J. H. C. Whiting, publisher, has been received at this office. It is a useful compilation.

—The Employers' Liability Assurance Corporation, of England, has been refused admission to New Jersey, owing to an alleged impairment of capital.

—Wealthy men should keep their lives well insured, not only because they can well afford it, but because their families are unfitted for adversity. The instability of wealth should need no argument.

—Eight years ago Julius Coleman was a rising lawyer in Evansville, Ind. He conspired with others to defraud several life insurance companies out of \$50,000 by insuring a half-witted young man, who was to fall from a steamboat at night, and apparently drown. A newspaper unearthed the conspiracy after the claims were filed, and Coleman was arrested, convicted and imprisoned. He escaped after serving a part of a two years' sentence. A few days ago Coleman walked into the executive office at Indianapolis and surrendered himself. He had been a fugitive in Canada for four years, and preferred the penitentiary to Canada.

—The business man who formerly reluctantly assumed a heavy responsibility, because he disliked to disoblige a friend asking for his guarantee, can now refuse that hazardous service with the best grace in the world; for all persons of decent character can for a comparatively trifling compensation obtain such guarantees from the companies whose business it is to furnish them, at the same time retaining the feeling of independence consequent on paying for what you get, and not being obliged to have recourse to favors, frequently grudgingly bestowed. Be the hazard large or small, its distribution among the many can only result beneficially to the community.  
—*Boston Standard.*

—Harmon & Sears have been appointed agents for the Imperial Fire Ins. Co. at Oakland.

—Manager Dornin has decorated the front of his office with a handsome gilt Imperial crown.

—J. R. Webber, Jr., special, agent and adjuster for the Hartford and the Commercial of San Francisco, for Oregon and Washington Territory, is in the city.

—A Michigan agent, Elmer McArthur, is under arrest for selling counterfeit policies of the Home Fire Ins. Co., of New York. None of the counterfeit policies covered a loss, happily.

—H. Griffin has been appointed agent at Oakland, for the State Investment Ins. Co., *vice* A. G. Davis, resigned. Mr. Griffin represents a long list of excellent companies besides the State Investment.

—The Pacific Mutual Life and Accident Insurance Company, of California, will make a good showing at the close of 1886, both in the accident and life departments. The accident premiums for the year will reach one hundred thousand dollars.

—A. J. Davis, of Oakland, for the past ten years agent for the State Investment Ins. Co., resigned on the 1st inst. to accept the management of the Alameda county branch of the New Zealand Ins. Co. Mr. Davis is an active worker, and will add largely to the New Zealand's Oakland receipts. The office of the branch will be at 466 Eighth street, Oakland.

—If the numerous victims of co-operative insurance in this State will go to work now and ask candidates for the legislature to pledge the passage of a law subjecting the co-operatives to wholesome restraints and the supervision of the Insurance Department, next winter will see the enactment of such a law. Let agents assist them by talking the matter up, and it will be an easy matter to secure a satisfactory pledge from any sensible candidate. The co-operatives of the baser sort have cheated so many claimants and members throughout the State, that a strong public opinion is forming in behalf of stringent co-operative legislation.



—A Paris company assumes fire, explosion and loss-of-income-by-fire risks.

—Geo. H. Allen, Assistant Secretary of the Howard Insurance Company, is visiting this city.

—J. D. Browne, President of the Connecticut Fire Insurance Company, visited the Coast last month.

—J. C. Ragsdale, late a special for the Western F. and M. Ins. Co., of this city, has been appointed to a similar position with Smith & Moody's agency.

—The conviction of the anarchists at Chicago is an event which underwriters may well rejoice over, for the doctrines of those sanguinary agitators were not only subversive of social order, but directly stimulated incendiarism for plunder's sake.

—The Anglo-Nevada Assurance Corporation has complied with the laws and entered the States of Kentucky and Tennessee during the past month. J. W. Beilstein, of Louisville, Ky., has been appointed general agent for the two States. Mr. Beilstein is secretary of the Falls City Insurance Co. of Louisville.

—During Mr. Jacoby's visit to Stettin, Germany, arrangements were made for the transfer of the Pacific Coast agency of the Prussian National from Alex. Badlam & Co. to Hirschfeld & Jacoby. The transfer took place on September 1. Mr. Badlam retires. Mr. Jacoby has long been connected with the insurance business in this city. Mr. Hirschfeld was formerly of the firm of Hirschfeld & Saroni, wholesale confectioners, and is a well-known business man.

—A well known Oakland business man announced that he was going to secure the agency of some good fire insurance company. A friend suggested the Imperial, but the Oaklander objected. "I do not know," said he, "about these small English companies. Many are wild cats. I never heard of the Imperial. Now there's the Lion—I know that is a first-class company." When the skeptical gentleman reads the Imperial's colossal figures, he will see where the laugh comes in.

—Franz Jacoby returned last month from a trip to Europe.

—The Cincinnati Life Underwriters have formed an association.

—Wm. Frank, of the firm of Gutte & Frank, who has been in Germany for the past eighteen months, arrived in New York on August 28, and will reach San Francisco about the 15th inst.

—Messrs. Woolley & Dickson have been appointed city agents of the Connecticut Fire Ins. Co. These gentlemen will occupy the office at 330 Montgomery street, recently vacated by the general agency of the company.

—The damnable meanness of human nature, or of some human nature, was disclosed at the trial of a case reported in the last issue of this journal. A man, while visiting his father's family, in Kentucky, sickened and died. His paternal relatives compelled the widow to assign them \$500 of the insurance money "for funeral expenses and nursing," under threat of having the certificate declared void because of misrepresentations. The widow subsequently enjoined the payment of the \$500, alleging that she was not of age, etc. Her husband's loving family thereupon carried out their threat, but the jury forced the Indiana Knights of Golden Rule to pay the certificate, and declared the assignment under duress a nullity.

—The Williamsburg Masonic Mutual Benefit Association, of New York, is in trouble. Too many double assessments, is what's the matter. The assessments for 1885 aggregated \$26 per member, besides dues. No new members were received, and 16 per cent. of the membership was lost. The days of this Masonic mutual are numbered. It was organized just nineteen years ago. Its members are growing old, and beginning to die. The death rate last year was about 20 per 1,000. It is the old story repeated. A light death rate in the early years of the association, then a heavy death rate and failure, leaving many old men without insurance and with nothing to show for all the assessments they have paid.

—President Everson of the Pacific Surety Company will visit the Conclave at St. Louis this month. Mrs. Everson will accompany him.

—Homer Craig will leave this city on the 13th inst. for the Conclave. Mr. Craig will visit relatives and friends in Iowa and Illinois on his way to St. Louis.

—California has been afflicted with many fires lately, but we have yet to hear of an instance where a hand-grenade was used with good effect.

—According to Fire Marshal Durkee's figures, the insurance companies paid \$685,253 in losses in San Francisco during the first six months of the present year.

—Paris averaged nearly eight fires a day last year. Sounds big, doesn't it? But over three-fifths were merely chimney fires, leaving less than three as the average per day.

—In the United States the failures for the first half of 1886 numbered 5,156, with liabilities of \$50,000,000, as compared with 6,004 in the first six months of 1885, with liabilities of nearly \$75,000,000, a surprising decrease, considering the labor troubles.

—The Fidelity and Casualty Company recently underwent a thorough examination by the New York Insurance Department. Nearly three months were required, and the result was an improvement on the company's own statements. The resources of the company were even greater than it had claimed.

—The editor of a London journal (*Truth*), in writing on life insurance, uses some very old figures as bases for comparisons. The Mutual Life's figures are several years old, and French and German companies' statements of ten years back are cited. If no later figures were obtainable, the editor should have said so.

—In Geneva, Switzerland, there is an insurance company to which parents pay a monthly contribution, and on the death of the father his child or children each receive a monthly allowance of at least 15 francs (\$3) or more, in proportion to the rate of insurance that has been paid. The company is in a flourishing condition.

—Omaha life underwriters have formed a local association.

—The London & Birmingham, an English wildcat without capital, is soliciting underground business in this country.

—The inspector appointed by the Canada underwriters to examine the Montreal water-works, has pronounced them utterly inadequate for fire protection.

—According to the *Budget* of Toronto, "J. C. L. Margach" is the Insurance Commissioner of California. The editor of our contemporary must write a frightful "hand," for there is no imaginable resemblance between "Wadsworth" and "Margach."

—The latest estimate of the outstanding assets and liabilities of the Standard Fire Office of London, leads the liquidators to expect that at the close of the liquidation there will not be more than a maximum of 3s. 6d. per share to return to the stockholders, in addition to the 5s. already paid.

—At the recent annual meeting of the Scottish Equitable, the following remarks were made by Dr. Clouston upon the folly and criminality of non-insurance: "It is quite certain that a man who, without capital and with a salary, does not insure his life is a fool, and I will go further and say that a man in that position, who has a wife and family should be regarded not merely as a fool but as a criminal; as guilty of a crime against society if he does not insure his life; and the sooner the public come to understand this, the better."

—A prominent fire underwriter writes us as follows: "You must have noticed the steady stream of losses which have piled in upon the companies since July 1, which bids fair in the amount of losses to equal that of any other month since the beginning of 1886. It does seem as if there was no end to the destruction of property all over the country, and in such losses as we have been concerned in, in our own company, we notice a heavy loss in each case over and above the insurance, showing that the causes could not have been within the control of the assured."—*Review*.

—Col. Clifford Thompson, the editor of the *Spectator*, has become part owner of that journal.

—In New Orleans fires are extinguished by contract. There were two bids recently, one for \$195,000 and one for \$190,000, annually. The Firemen's Charitable Association received the contract.

—The Fire Association of New York began business on July 1st, with a cash capital of \$200,000. It will confine its business to mercantile and manufacturing risks, and will appoint no agents.

—*Puck* enumerates among things that a man with horse-sense does not do, this: "He does not insure his life in a company that guarantees him nothing but the privilege of taking up a contribution for his family after he is dead."

—The *Courant* is the title of a new venture hailing from Cincinnati, and professing to be an insurance journal. There is room and there is time for it to grow. The *Courant* gives the Cincinnati premium income, according to the taxable returns, from May 1, 1885, to May 1, 1886, at — but hold! the editor has not added the figures, and we shan't do it for him.

—Timothy H. Brosnan, President of the United States Life Insurance Company, died at his residence in New York, August 12, after a few weeks' illness. Mr. Brosnan had been associated with the United States Life since 1875, and was elected its President in 1880. The recent growth of this popular life company was largely owing to the executive ability, liberal business methods and genial social qualities of Mr. Brosnan.

—The average death rate of the Knights of Honor last year was over twelve per thousand, and the membership declined 3,106. In many States the average of twelve per thousand is greatly exceeded. The organ of the society declares that these States are a heavy burden to their sister jurisdictions, and that "the time may come when they will be thrown overboard to save a sinking ship." The Knights of Honor society is showing the infirmities of co-operative old age. Its failure is a matter of a very few years only.

—At the annual meeting of the shareholders of the Queen Ins. Co., of Liverpool, the chairman said: "The premiums for last year have been £586,061, which is £20,000 more than the year 1884; and that our losses have been 64 per cent. against 68½ per cent., which I think you will consider fairly satisfactory. Our business generally has been satisfactorily better all round. Our American business shows a very considerable improvement. All our other continental, foreign, and colonial agencies also show an improvement, with one exception, that of Australia, which has not done so well this year as formerly."

—Lewis Morris, of Virginia City, going home late at night, thought the light that came from a window in a certain house was caused by a conflagration. He stepped up, smashed the window, went in and was busily at work putting out a fire that had resulted from an exploded kerosene lamp, when a door opened and a woman in white stepped into the room with a big revolver leveled at Lewis' head. "Don't shoot!" he roared. "Thunder and lightning! don't shoot! Can't you see I'm putting out this fire of yours?" The woman didn't shoot, and Mr. Morris, having extinguished the flames, went home.—*Exchange*.

Perhaps she wanted to shoot him, not for burglary, but for checking her little scheme to sell out to the insurance companies.

—Says the *Insurance Times*: The member of the insurance business who has the greatest opportunity to display his individuality is undoubtedly the special agent. These worthies have to cover a wide range of duties; to-day they are acting as surveyors, to-morrow as adjusters, and the day after as expert bookkeepers. They have to keep on good terms with agents, who, as a rule, look upon their visits much in the same way that they would view a call from his Satanic Majesty. They are compelled to absent themselves from home to such a degree that a married man ought never to fill the position, and, finally, they have to learn great proficiency in the art of totally concealing the number of days when they are in a totally different locality from that in which they are supposed to be.





1803

# IMPERIAL

FIRE INSURANCE CO. OF LONDON

(Instituted 1803)

<i>Capital Paid in,</i>	- - - -	\$3,500,000 00
<i>Assets, January 1st, 1886,</i>	- -	9,581,953 00
<i>Invested in the United States,</i>		\$1,589,991 29

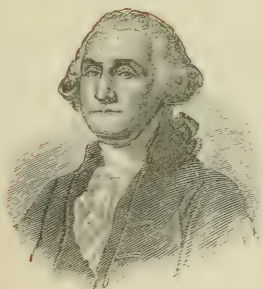
## PACIFIC DEPARTMENT

Having Jurisdiction over the States of California, Oregon, Nevada, Colorado, and the Territories of Washington, Idaho, Montana, Wyoming, Utah, New Mexico and Arizona.

GEO. D. DORNIN, Manager.

WM. SEXTON, Assistant Manager.

215 Sansome Street, San Francisco, Cal.



# WASHINGTON

FIRE AND MARINE INS. COMPANY

OF BOSTON.

<i>Capital Paid in,</i>	- - - -	\$1,000,000 00
<i>Assets, January 1st, 1886,</i>	- -	1,810,273 00

## PACIFIC DEPARTMENT

Having Jurisdiction over the States of California, Oregon, Nevada, Colorado and the Territories of Washington, Idaho, Montana, Wyoming, Utah, New Mexico and Arizona.

GEO. D. DORNIN, Manager.

WM. SEXTON, Assistant Manager.

215 Sansome Street, San Francisco, Cal.



*Subscribed Capital, - - - \$4,125,000 00*  
*Capital and Gross Assets, - - - 4,712,747 00*

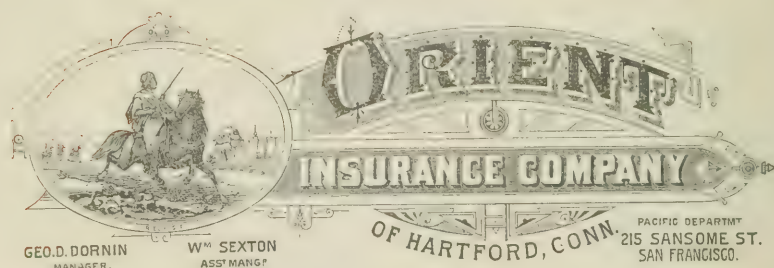
**PACIFIC DEPARTMENT FOR**

**The States of California, Nevada, Oregon, Colorado, the Territories of Washington, Idaho, Montana, Wyoming, Utah, Arizona, New Mexico, and the Hawaiian Islands.**

**GEO. D. DORNIN, Manager.**

**WM. SEXTON, Assistant Manager**

*215 Sansome Street, San Francisco, Cal.*



*Capital, - - - - - \$1,000,000 00*  
*Assets, January 1st, 1886, - - - 1,551,954 00*

**PACIFIC DEPARTMENT FOR**

**The States of California, Oregon, Nevada and the Territories of Washington, Idaho, Utah, Arizona and New Mexico.**

**GEO. D. DORNIN, Manager.**

**WM. SEXTON, Assistant Manager**

*215 Sansome Street, San Francisco, Cal.*

—J. M. Simpson, representing the Oakland Mutual Endowment Association, is under arrest at San Buenaventura, Cal., charged with misdemeanor.

—The Mutual Reserve Fund Life Association has increased its annual dues fifty per cent. That is one way to levy a double assessment.

—For the following elegant metaphor we are indebted to the *Standard*: "The 'incontestable policy' idea is blazing a path through the underbrush of the stationary tendencies of the continental life insurance world."

—The *Overland* for September contains an article on Anarchists and Imitative Mania, by A. A. Sargent; A Moqui Indian Fete; Ascent of Mount Tacoma; Beer Drinking in Germany, by a writer with the very appropriate name of Bierhowser; Some Japanese Folk-Lore; The Mechanics' Institute, and others.

—Reader, if you have been guilty of any "raid" like the author of the following letter, please follow his excellent example and fatten our vanity and purse with a similar letter:

We are tired of borrowing the REVIEW. Every insurance agency in Ogden and Salt Lake has suffered from our raids on their monthly inspiration, until "patience has ceased to be a virtue" (chestnut) on their part. We want one of our own, that we can sit up nights with, and as, unlike the "Fireman's Fund Record," you don't send it gratis, please find inclosed three (\$3) dollars. Send to above address, beginning with August number, and oblige yours truly.

—The report of the Thames and Mersey Marine Insurance Company, Limited, for the year ended June 30, states that the balance of revenue, deducting all claims and expenses, amounts to £364,218, exclusive of the paid-up capital of £200,000, and of the reserve fund of £375,000. The underwriting accounts for 1884 are closed, and have resulted in a profit of £105,000. Of this sum the directors carry £25,000 to the reserve fund, which will then amount to £400,000, and recommend a dividend; tax free, of 2s. per share, and a bonus of 6s., making, with the new dividend in January, 12s. per share for the year.—*London Insurance Journal*.

—One admirer reads the COAST REVIEW from cover to cover. He is the proof-reader.

—Geo. H. Burford has been elected President of the United States Life Insurance Company, to fill the vacancy caused by the death of Mr. Brosnan. The new President has been in the service of the company for twenty-one years, and since 1877 has been the actuary.

—Out of 127 companies licensed to take fire risks in the State of New York, only eight have their capital stock below 110 and not a single one below par. No fewer than 104, or about five-sixths, have their stock above 120.

—A San Franciscan was found dead in his room, the other day, with a revolver in one hand, an open letter in the other, and a bullet-hole in his forehead. The letter was a notice of the twentieth assessment, the third for August, levied by a co-operative life insurance company. The poor devil preferred to fly to ills he knew not of.

—Mr. Heald, in his annual address, disposes of the brokerage question neatly and forcibly when he says:

Commissions paid by New York companies (first section of Table X) last year were 18.92, against 6.87 in 1860. Whence this fearful increase? The answer is, excessive commissions to agents and enormous brokerages to middlemen. The higher the brokerage, the more brokers; the more brokers, the greater the competition; the greater the competition, the lower the rates; the less the rate, the higher must be the brokerage—so in an ever recurring round this has gone on until the commissions paid by New York State companies have rolled up nearly 300 per cent. in twenty years.

Experienced, Successful Life Insurance Men wanted to sell Installment Bonds of the National Life Ins Co. of Montpelier, Vt., in San Francisco and every city and town of importance in California and Oregon. Address me at Los Angeles National Bank, Los Angeles, California. Circulars explanatory of the plan will be sent on application for them.

S. A. MATTISON,

General Agent for  
California and Oregon.



# PROVIDENCE WASHINGTON

Insurance Company of Providence, R. I.

ORGANIZED IN 1790.

ASSETS JANUARY 1, 1886, - - - \$964,930.00

J. H. DeWOLF, President. - - - J. H. BRANCH, Secretary.

# SECURITY INSURANCE CO.

Of New Haven, Conn.

ORGANIZED IN 1841.

ASSETS JANUARY 1, 1886, . . . \$451,273.00

**HOYT & MAILLIARD, GENL. AGENTS,**

405 California Street,

San Francisco.

ALSO CITY AGENTS FOR THE

QUEEN INSURANCE CO. of Liverpool.

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# ACCIDENT DEPARTMENT

THE PACIFIC MUTUAL LIFE INSURANCE COMPANY

OF CALIFORNIA.

PRINCIPAL OFFICE, 418 California Street, San Francisco, Cal.

ORGANIZED A. D. 1867.

ASSETS, December 31, 1885 - - - - - \$1,339,591 76

*Under the Accident Policy issued by this Company, there is no restriction on travel.  
The insured can reside anywhere in the civilized portions of the World.*

*The insured being disabled in a more hazardous occupation than the one named in policy, is paid pro rata according to premium.*

*The insured sustaining such accidental injuries as to occasion the loss of both Eyes or two limbs, will be paid one-half the face of the Policy.*

*The limit of time allowed on account of non-fatal injuries is extended to THIRTY WEEKS.*

*All technical or obscure conditions are eliminated or defined.*

*All just and equitable claims will be promptly paid upon filing of sufficient and satisfactory proofs.*

*Injuries received in attempting to save human life are covered.*

*Rates the same as those of other standard American accident companies. Policy provisions more liberal and less technical. Are NON-FORFEITABLE and WORLD WIDE.*

Capable and Reliable Agents Wanted.

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# THE COAST REVIEW

A MONTHLY JOURNAL

DEVOTED TO

FIRE, MARINE, LIFE AND ACCIDENT INSURANCE.

J. G. EDWARDS, PROPRIETOR,

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The COAST REVIEW will be mailed about the 8th of the month.

Advertising rates made known on application.

## Electric Lighting and Aerial Wires.

A PAPER BY C. C. HASKINS, READ BEFORE THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST, SEPT. 9, 1886.

Electricity is a force, not a substance. In this respect it is like heat, light, or magnetism, and may be converted into either, as any one of these is reconvertible into any other.

Certain metals conduct heat more readily than others. Those metals or substances which conduct or carry heat more readily than others are said to be better conductors. These facts also apply to conveyers of electrical currents. Those which are the best conductors have the least resistance, and *vice versa*; those which the most perfectly obstruct the current are those which have the highest resistance. When we find a material or substance which is a very positively bad conductor, we call it an insulator. Dry air, dry wood, glass, porcelain, resinous gums, etc., these are all insulators.

### GOOD CONDUCTORS.

The metals, copper and silver first, are good conductors, while iron, having nearly seven times the resistance of either of these, would require to be seven times the

size of a copper wire to offer the same carrying capacity to a current. That is, a copper wire one-seventh of an inch in diameter has a carrying capacity about equal to an iron wire approximating one inch in diameter.

If we overload either wire, that is, send more current through it than its capacity or size warrants, the flow is obstructed, and a portion of the current is converted into heat.

Heat, then, is a result of resistance in a conductor, and it is to resistance—to this conversion of electricity into heat and light by resistance—to the work of overcoming an obstruction, that we are indebted for the electric lights of to-day.

#### THE TWO LIGHTS.

There are two general divisions of electric lights known to the trade and to the public as well, as arc and incandescent. The first of these is named from its being the result of an electric arc, a flame of electricity. This arc is caused by the obstruction which a space of dry air offers to the passage of a current. Its carrying capacity is so inferior that the resistance transforms the current into light and heat. Two carbons, one on either side the arc, are slowly consumed.

The incandescent light which, as its name indicates, is not a conflagration, but a white glowing heat, is the result, as in the former case, of resistance. The little wire-like loop is carbon. The space which the globe incloses is nearly enough so to be called a vacuum; the air is virtually exhausted, and there being no air—no oxygen—there can be no combustion.

Let us first examine an arc light circuit. The method of producing the current is virtually the same for both this and the incandescent system—the dynamo. This dynamo, or generator, sends a current out to line; it comes to an obstruction at a lamp; it jumps the obstruction, passes on to the next, and so successively at each lamp, and arrives home much the worse for wear. The dynamo is, however, constantly supplying a current, and the waste—or conversion rather, for nothing in nature is ever wasted—is constantly made good.

#### THE WIRES.

Now, understand, this is the condition and performance of the current when the line is in proper order and form; that is, when the wire is perfectly insulated, separated by some one of those poor conductors—air, glass, porcelain, etc.—from contact with anything which leads to the ground, or some other line. The wire must be complete—a metallic path from the generator out through all the lamps and back to the generator. It must be of sufficient size to carry the current used without sensibly heating; through the resistance it offers to the current; that is, it must be large enough. If it gets hot it is too small. Every portion of the line must be of sufficient capacity. Where the wire enters the lamp, where the ends of wire have been put together, at a joint, there must be full carrying capacity to prevent heating.

Now, a line in which these conditions are fulfilled perfectly, that is, a line which is: *first*, thoroughly insulated from the earth and from possible contacts through which the current may escape, and get back to the generator by some cross-cut or short road; and *second*, which has a wire of capacity sufficient to carry the necessary current without heating, such an electric light plant is thoroughly and perfectly safe while it remains in that condition.

The two wires which run from the dynamo are often quite near each other for some distance, before they separate to go to line. These should not be less than ten or twelve inches apart. The nearer together they are, of course the greater the possibility of either getting these crossed, or of getting them connected by some conductor. I have known a fireman to hang his wet shirt on two wires to dry—a trick which cost him a new shirt. The resistance of a wet cloth will develop heat as well as any other resistance. The wire in this case was insulated, but fire proof insulation is not water-proof, and water-proof insulation is not fire-proof, except where the insulation is made so by covering with metal.

#### MISCHIEF.

Gas men, plumbers, carpenters and engineers, while not wilfully mischievous,



often do great harm after a plant is established, by running pipes, rods, or other fixtures for pumps, soda fountains, gas, sewerage, water or steam, in close proximity to wires.

A short time since I found one of these large wires within about a half an inch of a gas pipe. Normally it was safe. The space between the wire and the pipe was an excellent place in which to put an iron chisel, screw-driver, or hammer. This would be quite natural. A wet towel would accomplish much the same result, create a ground connection, or what we technically call a ground.

Wires have sometimes been fastened to the plastered wall by iron staples. These may or may not be safe, temporarily, but it is not rare for the lathing in recent structures to be of wire, connected indirectly or directly to ground.

Wires running through damp places, as cellars, basements, etc., unless carefully guarded, are liable to form contact through dampness with water and gas pipes, either of which goes to ground.

Outside wires are full of expedients for getting a plant into trouble. Where they cross buildings, if there are other wires, either electrical or guy or stay wires, contact with these may mean a heavy loss in a block half a mile away. If the wire is a telegraph, telephone, police, or fire wire, its capacity for carrying is not equal to that of the electric light wire. If the current is deflected from its proper wire to the central office of the company whose wire is thus crossed, circumstances alone will decide what damage is to be paid for.

#### FIRES.

Some three years ago a small loss occurred which may serve to illustrate this phase of danger:

A temporary line was run from a plant in the same block to furnish light for an evening entertainment. The wire was not insulated properly, and during the existence of this additional circuit a rain storm wetted the surface where the electric light wire rested, and formed a road for the current to a telephone wire. The telephone wire bore the indignity well enough until it reached

the fine wire cable in the exchange. There it would withstand the insult no longer, and it burst into fire. The wire was too small to carry the current thrust upon it, and diminished size, as we have seen, means increased resistance, and resistance means heat.

Ordinary water, then, may be made an element for producing fire. Why? Because it is a conductor of electricity, while wood, wool, silk, etc., are insulators when dry. Hence, a wet wall, a damp board, even a dishcloth, might, under favorable circumstances, cause a severe loss to an insurance company.

So, too, a wire on the face of a building is liable to come in contact with metal cornices, columns, posts, frames, etc., and I consider the long loops of wire which lead from the building to an outside lamp, which is suspended from a rope, particularly dangerous.

These hangings are hazardous to both persons and property. The pulley-rope, by which the lamp is lowered and raised, being no essential part of the light proper, is never looked after, as a rule, until the weather has perhaps materially reduced its strength, or it has given way. Some half a dozen or so of these have fallen in Chicago through the neglect of this rope.

#### "GROUNDS."

A still worse feature in this form of hanging, is the almost constant certainty of grounds where these wires flap against rods, frames, etc., and are wrapped up in the awning, which latter may be wet at any time.

A remedy for this form of danger is found in a hanger manufactured by the Electrical Supply Company, which costs a mere trifle more than a plain rod. There is no reason why the underwriters should not demand the use of some such expedient as an additional element of safety.

One ground on a line can do no possible harm; and if we can keep the first ground at a proper distance the second will take care of itself.

#### CURRENTS.

I have said that the current which any conductor will carry is proportioned to its

capacity—the same as a water-pipe; and if we have two conductors, one twice as large as the other, leading from the same source, one of these will carry twice as much as the other. The ratio is in proportion to the capacity.

The current from the dynamo starts out on the line, and finds on its way a ground connection, say one-quarter of the way round. Three-quarters the way round there is a similar ground. In this case a certain amount of current is cut off and goes to earth at each of these points, and the lamps in the farther half of the circuit are deprived of just so much current energy. The amount which will escape at these two points will be in proportion to the carrying capacity. If the grounds are good, they will cut out the lamps beyond them entirely. If the line is a better conductor than the ground, more current will traverse the wire than waste at the leaks. If one of these happened to be a telephone wire, a fire might be the result, and if one of them happened to be an underwriter, a funeral might be in order. But if either of these occurred and there was no other ground on the line, there would be no work for either the Adjuster or the Coroner.

The incandescent circuit—and by circuit we mean the wires which carry a current—must also be kept from contact with the earth.

The current used by the incandescent systems is less fierce than that used by the arc system. We say of steam at ninety pounds that its pressure is greater than at eighty pounds. So of electricity, we have what may be understood as high and low pressure. The highest pressure we can create is shown in that which is generated by a frictional machine, and comes nearest to that of nature. The lowest pressure is that which we accumulate by means of batteries, such as are used in telegraphy. We have quantity also, which is but another name for a result of low resistance.

Now, the incandescent system uses a current of such low pressure that it is far more easily controlled and kept in the straight and narrow path than its wicked

partner, the arc current. The wires, too, are differently placed. From either side of the dynamo the two wires are carried parallel out to the end of the circuit, say the upper floor of the building. They are not joined together at that point, but left open.

Now, from a given point on these, say the first floor, a wire is carried at right angles from each of the mains down the halls on that floor. Opposite each room we attach a wire to each of these secondary wires, and run them parallel to the end of the room.

In all this wiring we have made no connection between the ends of the wires; all these ends are open. Anywhere we like, governed by certain rules depending upon this matter of resistance again, we can put our lamps in, like rungs of a ladder. The branches leading into the room may be connected together by a dozen lamps, and the current has no way to get from one wire to the other, except to go over these little bridges—these lamps.

#### SAFEGUARDS.

You will naturally ask what safeguard there is in a system so placed. I answer this: At every point where there is a branch wire—at the junction—is placed a safety-strip, which protects the wire from that point to the last branch of the dynamo.

The action of the safety-strip is this: Being placed in the direct path of the current, it carries all which crosses that part of the circuit. Its carrying capacity is less than that of the wire, for it is made of a metal of higher resistance, and it melts at a lower temperature. If a screw-driver or a nail or any conductor is made to connect the two wires leading to the two sides of the generator, the resistance is reduced at that point. More current crosses at that point than is useful; the soft metal melts and cuts the line in two. A leak from a water-pipe may form such a contact, and, before the building would be endangered, the increased flow of current would open the line, put out the lights on that branch, and cut off the dangerous current.

The soft, or safety-strip, is graduated for

the current it is intended to carry. Usually these are numbered for the number of lights they are designed to protect. The incandescent plant should not be allowed to run without safety-strips, under any circumstances. It is the custom of some companies to put the safety-strip in the socket of the lamp. This is on the principle of fun for the boys, but death to the frogs. The lamp may be saved in case of excess of current, but the building may burn.

It is all well enough to place the safety-strip in the socket of the lamp, but the strip at the junction should not be omitted on any account.

#### DANGER FROM DIRT.

Care should be taken to see that the wires do not run in such a manner or through such places as to allow of accumulation of dirt, lint, inflammable dust, etc.

I once found, in part of an incandescent circuit, a large accumulation of material just such as a rat would select for a nest, in contact with the wires; and in an arc light circuit, where the two wires had dropped behind a store sign, I found a colony of sparrows.

#### THE DYNAMO.

Outside the question of insulation, a dynamo may be looked upon as we would look on any other rapidly revolving machinery. It should be as thoroughly insulated as any portion of the line, and must be considered as part of the line. It should be placed on a foundation selected and arranged so as not to endanger the building by vibration. The fire hazard is not increased by the dynamo, when this is properly protected by insulation. It has been sometimes suggested that an electric light system served to fill the air—saturated it, so to speak—with electricity, and thus endangered the building. As long as a line is insulated properly, so long the current will remain on the wire. With a ground elsewhere on the line, a second leak might occur in a damp—very damp room, through the moist, air to ground; but with a well insulated line this could not occur. With dry air such a saturation would be impos-

sible. Magnetism is always present in a room where a dynamo is, but this force is harmless to persons and insured property. It is, however, ruinous to good watches, the steel parts of which absorb and retain magnetism.

Where a line is of the central plant variety—by which name we designate a plant running lights for rentals from sundry parties—the wire is often quite long, and consequently exposed to atmospheric electric changes, which might possibly overcharge the wire. It is hardly probable that any result would occur other than the destruction of the dynamo. For the protection of these machines it is well to put in what is termed a lightning arrester, which will carry off the excess of current in case of surcharging of the line from the atmosphere.

#### ARRESTERS.

There have been many forms of arresters made, but none are thoroughly complete and reliable. The commonest form is made of three brass plates, with connections on the two outside ones, to the generator in one direction, and to the line in the other. The middle plate is connected direct to ground. The saw teeth are, by an electrical law, more competent for discharging a current than a plane surface would be. The objections to this form are, that a heavy discharge may create an arc, which the normal current will afterward maintain, or the teeth may be welded to the ground plate by the discharge. These faults are easily remedied, however, by stopping the dynamo, and, as the arrester is in the room close to the dynamo, the trouble is manifested immediately, and readily cured.

I have never heard of any injury to person or property from such causes, but the placing of such lightning-catchers effectually protects from possible discharges of lightning. The current generated by the dynamo will not leave the wire, except through a ground. The current which is created in nature is on its travels, either from earth to cloud, from cloud to earth, or from one cloud to another; so that with all the other routes open to it, it is hardly reasonable to expect it to single out a cop-



per wire on its way to the heavens or into the ground.

#### PROTECTION TO FIREMEN.

As a matter of protection to the firemen, on such long circuits, it is not a bad idea to require placed at each building or block where the wires enter, a cut-off switch, which, being turned, completely cuts off the current from the locality or single structure; but even this, if wires are properly placed, is hardly necessary.

The cut-off switch may be of any form which will accomplish the complete separation of the building to be protected from the line. It differs essentially from a cut-off switch. The latter merely puts out the lights, but does not separate the building from the generator.

To my mind there is but one sovereign panacea which can cure the ills of the electric light business. No plant should be permitted to run until a thorough inspection has been made by a competent electrician, with power to enforce his suggestions. And I believe it would be money in the treasuries of the fire insurance companies to be at the expense of such inspection, dividing this *pro rata* among the benefited companies, or on some modification of such a plan. I have not given the subject thought beyond this crude suggestion.

In my opinion, no wire for electrical purposes should be allowed above ground. While these are permitted to swing in the air from poles and housetops, contact with other wires is almost certain, and where these are telephone, telegraph, or other grounded lines, the result, if one such is crossed with an electric wire, might be disastrous. With these in the ground, the wind and weather can have no effect, and such a thing as a cross would be next to an impossibility.

In conclusion, it seems to me, if I may be allowed to express an opinion, that the insurance companies are quite the proper parties to urge both these points, and they certainly can, if it is deemed expedient, control the former. The experience in Chicago is certainly well worth attention and consideration.

#### Digest of Recent Insurance Decisions.

##### FIRE.

**CALIFORNIA SUPREME COURT DECISION.—CHANGE OF TITLE.**—California State Bank *v.* Hamburg-Bremen Ins. Co.; Cal. S. C., Sept. 18, 1886. —The policy contained a clause that if the property insured should be sold or otherwise disposed of, so that all interest of liability on the part of the assured cease, the insurance should immediately terminate. There was no evidence that the defendant had notice of the sale from Lachman to Nevis, or such notice as would put it on inquiry. When Lachman sold, the policy as to him was at an end; his equitable lien as vendor would not avail to keep the policy alive for the benefit of the plaintiff. The company made no contract by which the plaintiff could recover for the benefit of Nevis. Judgment and order reversed, and cause remanded for a new trial.

**OTHER INSURANCE.**—Carpenter *v.* Continental Ins. Co.; Mich. S. C., June 17, 1886. —Plaintiff owned half of the premises insured. Her grandson owned the other half. The application for insurance was signed by plaintiff. Plaintiff and her grandson mortgaged the insured property. In conformity with a mortgage clause, the interest of the mortgagee was insured also, without the knowledge of mortgagors. *Held*, That the insurance by a mortgagee on the mortgaged property, in conformity with a mortgage clause, without the knowledge of the mortgagor, was not other insurance within the meaning of the policy. *Held*, That when, after knowledge of such other insurance, the company without dissent proceeds to adjust the loss, this is a waiver of the alleged forfeiture.

**SERVICE ON BROKER.—UNDERGROUND INSURANCE.**—At Memphis, Tenn., on August 31, Judge Hammond rendered his decision in the case of Henning *v.* The Planters' Insurance Company, pronouncing the judgment of the Illinois State court, at Chicago, void. The company issued a policy of insurance upon a mill in the State of Minnesota to a citizen of the State of Illinois,

upon which the loss occurred. The policy was issued through an insurance broker at Chicago, and the company was there sued, the process being served on the broker, the right to do this being claimed under the statutes of Illinois. Judge Hammond held that it was immaterial in this case to decide whether the statutes authorized such a service, because the judgment obtained in the Chicago suit was void on the face of it, because the record did not show that the Tennessee corporation was doing business in Illinois, and no proof could be now introduced to show that fact in aid of the defective record. The following are the points of the opinion: (1.) It is a rule of inter-state or international law that the courts of another State will not receive as evidence of a foreign judgment, in a suit brought upon it, any record thereof which does not show on its face that the defendant company, which is a foreign corporation, was doing business in that State. This is a substantive jurisdictional averment that must affirmatively appear and not be left to any inference from the bare return of the officer that he has served an agent. (2.) Nor can parole or other evidence of the fact be received in aid of the defective record if the averment does not appear therein.

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ELECTION BY INSURANCE COMPANY—UNREASONABLE DELAY—Elliott Five-Cent Savings Bank v. Commercial Assurance Co.; Mass., S. C., June 30, 1886.—Action by mortgagee of real estate to recover upon a policy of insurance for a loss by fire. The case was tried upon an agreed state of facts, and judgment was had for plaintiff, and the defendant appealed: *Held*, That the fact that an insured, whose premises had been injured by fire, commenced to repair the same immediately thereafter and before the expiration of the time within which the insurance company had the right under the policy to elect, to make the repairs, will not defeat the insurance, it appearing that the insured acted in good faith and to prevent any further damage to the property: *Held*, That the statute authorizing an insurance company to elect either to pay a mortgagee

his loss, or pay the full amount secured by his mortgage and take an assignment of the same implies a condition that this right of election shall be exercised within a reasonable time: *Held*, That where an insurance company, seven months after suit had been brought upon the policy, elected to pay plaintiff the amount of his mortgage and take an assignment of the same, it was then too late. In such case, the fire having rendered plaintiff's security insufficient, he had, at the request of the owner of the equity and to prevent further damage, repaired the building at a considerable expense: *Held*, That "the full amount secured by the mortgage," which the company was bound to tender to entitle them to an assignment of the same under the statute, included expenditures made by the plaintiff to uphold his security.

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LIABILITY OF RAILWAY COMPANY FOR NEGLIGENCE—Chicago & Milwaukee Ry. Co. v. Farmers' Ins. Co.; Wis. S. C., July, 1886.—Plaintiff insurance company sued defendant railroad company to recover the amount of loss sustained by reason of having to pay to the insured owner of the destroyed premises a loss occasioned by the negligence of the railway company in permitting fire to escape whereby this certain property was destroyed. The insurance company took an assignment of the policy from the insured of the whole claim for damages exceeding the amount received from the plaintiff for indemnity, and demanded of the railway company to be reimbursed for its liability to the insured, and also the amount exceeding that paid, but actually suffered by means of such fire. The railway company denied the power of such assignment, and from an adverse judgment appealed: *Held*, That a local or town insurance company, organized under the laws of 1872, which had been compelled to pay a loss occasioned by a fire started through the negligence of a railway company, could take an assignment of the whole claim for damages from the insured exceeding the amount paid by it, and recover the full amount thereof from the railway company.

**FORFEITURE — INCUMBRANCES — Ellis v. State Ins. Co.; Iowa, S. C.**—A policy declared that it should become void "if the title to the property is incumbered"; and, afterwards, the insured executed a mortgage upon it, but subsequently assigned the policy on selling the property. The assignment was made with the consent of the company, and the assignee paid premiums to it, but it was ignorant of the existence of the mortgage. When the fire happened, it then learned that the mortgage had been made, and refused to pay the loss on the ground that the policy was thereby forfeited. The assignee contended that the policy was not avoided by the mortgage as to him, because he had not made it, and that the assignment of the policy with the company's consent created a new contract between it and him, under which he has done nothing in violation of the policy. The trial court sustained this defense, and from the judgment directed by it the company appealed: *Held*, that it may be conceded that, in a certain sense, a new contract arose. It could not be otherwise when a new party is introduced. But that is not a material consideration. What we have to determine is, what was the new contract, and whether, under such new contract, the plaintiff is entitled to recover? When the plaintiff took an assignment of the policy all its terms and conditions were imported into the new contract, and it became one of the conditions of the new contract that 'if the title of the property is incumbered this policy shall be void.' The plaintiff, as assignee of the policy, became a party to that condition just as essentially as his assignors did when the policy was first issued. The condition pertained to the character of the risk as it then was, or should be thereafter. The parties originally insured virtually agreed that if there was, at the time the policy was issued, or should be thereafter, an incumbrance upon the property, they should not, in case of loss, be entitled to recover. Now, when the plaintiff took this policy by assignment, he became a party to the condition, and virtually agreed that if there was then, or should thereafter be, any incumbrance upon the property, he should

not, in case of loss, be entitled to recover. His agreement was that the property was not *then* incumbered, and should not be incumbered. The gist of the defense is this: If it had been removed before, or at the time of the commencement of the new contract, the result would have been different.

#### MUTUAL.

**DIVISION OF SURPLUS AFTER REINSURANCE — Smith et al. v. Mutual Fire Ins. Co.; N. J. C. C., June, 1886.**—The evidence showed that the defendant company reinsured all its risks, and had a large sum of money in its treasury, being the proceeds of the cash payments by the then present and also past policy-holders, and the interest upon the investments thereof for a number of years: *Held*, That all the policy-holders who contributed to such sum are entitled to a proportion thereof, according to the amount of their payments, whether they continued to be policy-holders at the period of distribution or not.

#### LIFE.

**A COMPROMISE SETTLEMENT STANDS.**—The Appellate Court, Third District of Illinois, rendered a decision in the case of *Hayes v. The Massachusetts Mutual Life Ins. Co.*, appealed from the Circuit Court of Coles County, reversing the decision of the lower court, and holding that the settlement made by the company's agent was *bona fide*, and that in so doing the policy held by the claimant was fully met. This case dates back to the April term of 1883, when Maggie E. Hayes, as administratrix of Ellis W. and Daniel D. Hayes, nephews of Job M. Hayes (on whose life the policy was given), sued the company for \$12,000, to recover a back payment and interest on same of \$6,000. The company, in defense of the suit, claimed it had settled for the policy in full on a compromise of \$6,000, paid to the guardian, James F. Hughes, at the time of the death of Job M. Hayes. The Circuit Court rendered a decision in favor of the heirs, giving in a verdict of damages for \$8,429.75. The company appealed the case to the Appellate Court, who remanded it back to the lower court for a rehearing, on





1803

# IMPERIAL

FIRE INSURANCE CO., OF LONDON

(Instituted 1803)

<i>Capital Paid in,</i>	- - - -	<i>\$3,500,000 00</i>
<i>Assets, January 1st, 1886,</i>	- -	<i>9,581,953 00</i>
<i>Invested in the United States,</i>		<i>\$1,589,991 29</i>

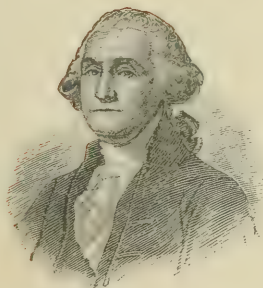
## PACIFIC DEPARTMENT

Having Jurisdiction over the States of California, Oregon, Nevada, Colorado, and the Territories of Washington, Idaho, Montana, Wyoming, Utah, New Mexico and Arizona.

GEO. D. DORNIN, Manager.

WM. SEXTON, Assistant Manager.

215 Sansome Street, San Francisco, Cal.



# WASHINGTON

FIRE AND MARINE INS. COMPANY

OF BOSTON.

<i>Capital Paid in,</i>	- - - -	<i>\$1,000,000 00</i>
<i>Assets, January 1st, 1886,</i>	- -	<i>1,810,273 00</i>

## PACIFIC DEPARTMENT

Having Jurisdiction over the States of California, Oregon, Nevada, Colorado and the Territories of Washington, Idaho, Montana, Wyoming, Utah, New Mexico and Arizona.

GEO. D. DORNIN, Manager.

WM. SEXTON, Assistant Manager.

215 Sansome Street, San Francisco, Cal.



*Subscribed Capital, - - - \$4,125,000 00*  
*Capital and Gross Assets, - - - 4,712,747 00*

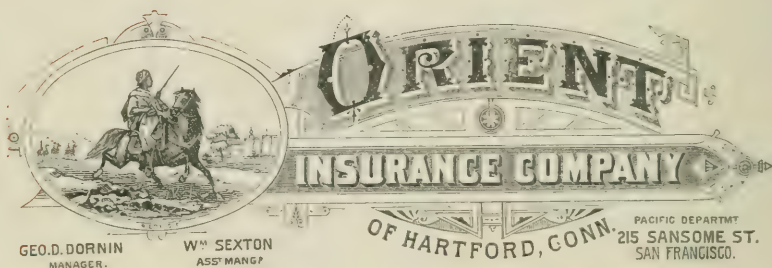
**PACIFIC DEPARTMENT FOR**

**The States of California, Nevada, Oregon, Colorado, the Territories of Washington, Idaho, Montana, Wyoming, Utah, Arizona, New Mexico, and the Hawaiian Islands.**

*GEO. D. DORNIN, Manager.*

*WM. SEXTON, Assistant Manager*

*215 Sansome Street, San Francisco, Cal.*



*Capital, - - - - - \$1,000,000 00*  
*Assets, January 1st, 1886, - - - 1,551,954 00*

**PACIFIC DEPARTMENT FOR**

**The States of California, Oregon, Nevada and the Territories of Washington, Idaho, Utah, Arizona and New Mexico.**

*GEO. D. DORNIN, Manager.*

*WM. SEXTON, Assistant Manager*

*215 Sansome Street, San Francisco, Cal.*

the technicality that, as the heirs were now of age, they were the proper persons to enter suit. In the November term of the Circuit Court, 1885, the case came up again for trial, and the jury came in with an increased verdict in favor of the heirs, assessing damages at \$9,060. The company again appealed to the Appellate Court (May term of this year) with the before-stated result.

#### ASSESSMENT.

**DELINQUENCY VOIDS CERTIFICATE.**—Lucky v. A. O. U. W., San Francisco Superior Court, Sept. 20, 1886.—It appears that W. L. Lucky relied upon the promise of a prominent member of Valley Lodge of the Ancient Order of United Workmen that his dues should be paid before a delinquency, which would require his re-examination by a medical officer. Any successful re-examination by the medical officer was out of the question, as he was suffering from an incurable disease—Bright's disease of the kidneys. The promise of the prominent member of the Valley Lodge was not kept and Lucky became delinquent. Subsequently he made efforts to pay his dues, but an appeal from the Valley Lodge to the Grand Lodge resulted in a declaration by the Grand Lodge that he could not reinstate himself without passing the re-examination by the medical officer. Regarding the Valley Lodge as subordinate to the Grand Lodge, as its agent and as drawing its law and authority therefrom, any action which the Valley Lodge might take in contravention of the declarations and dictations of the Grand Lodge would be nugatory as to the reinstatement of the deceased Lucky. For this reason, while the claim is a difficult one, and one appealing to the charity of the order for recognition, this Court cannot step within the halls of the order and lay down another and different law from that to which the members have bound themselves. The Court is therefore compelled, in the present instance, to give judgment for the defendant, at the same time going out of its way to recommend the plaintiff to the charitable and equitable consideration as well of the Grand Lodge as of the Valley Lodge of the Ancient Order of United Workmen.

**CREDITORS CANNOT RECOVER.**—CHANGE OF BENEFICIARY.—*Elsey v. O. F. Mutual Relief Ass'n*; Mass. S. C., July 2, 1886.—Plaintiff was a creditor of deceased and sought to restrain the payment to the mother. *Held*, That the funds held by benevolent associations are not attachable by creditors of a member thereof. The word "heirs" is to be construed as used in its limited sense, where a member in his application designated his wife as the one to whom the benefit was to be paid, and thereafter sought to change the designation from her to his mother, who was neither living with nor dependent upon him, such attempted designation was illegal; the original designation to the wife remained in force, as it will not be presumed that the deceased member intended the assignment to his mother in case it was invalid to operate as a revocation of the previous designation to the wife.

#### Gems from the Mississippi Northwest.

MORE OR LESS SPARKLING EXTRACTS FROM PAPERS READ AT THE RECENT ANNUAL MEETING OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST.

Agents are as honorable as other men engaged in a commission business, and will not, as a rule, make rebates, give presents, or offer unusual favors for the purpose of securing business, unless they are encouraged to do so; but in any event the companies are responsible for the acts of their agents, and, having the controlling power, they are alone and wholly to blame for these demoralizing practices. Competition is greatly aggravated by the statements made by interested parties to agents, and thence they go to the officers and managers, who on these erroneous statements form an exceedingly poor opinion of their competitors.—*Bennett*.

#### TAFFY FOR THE PRESS.

One of the prominent forces in our business, potent to commend or condemn, always in the lead in insurance thought, ever on the alert for news, and ready to discuss subjects of interest or to offer suggestions worthy of consideration, is the insurance press.



The insurance press of this country is an important instrumentality, and its position is one of credit to the underwriting profession. To its criticisms, its words of warning or encouragement concerning matters relating to our business, are we more or less indebted for many of the reforms which have found their way into the practice of companies.

Next to the school of experience, that of the philosopher is most to be revered, and the insurance press may probably be considered as assuming the latter character in our profession. The mind of the underwriter has been improved, and the range of his vision has been broadened by its influence.

It may truthfully be said that no one can become rounded out to fullness of thought or of knowledge who is a stranger to the literature of his calling.—*Fox.*

#### SPECIAL AGENTS.

As this is an organization chiefly of field-men, we will briefly refer to the services which field-men or special agents perform, and their relations to the interests they represent.

The three principal duties of special agents, under the present system of business are:

1. The selection of agents.
2. The inspection of risks.
3. The adjustment of losses.

It was to perform the work incident to these divisions of field-labor that the office of special agent was created.

The credit of originating this plan of field-service is due to Ephraim Robins, who was the general agent at Cincinnati, O., from 1825 to 1845, of the Protection Insurance Company of Hartford, for the West. He was the pioneer in Western general agency underwriting.—*Fox.*

#### LIMITED AND CO-INSURANCE.

As a matter of public policy, only partial or limited insurance should be granted; and by the terms of the insurance contract, or, if necessary, by statute regulation, it should be made impossible for the assured, especially where property is totally destroyed,

to receive full indemnity. A limit should be placed somewhere along the loss line, say from 75 per cent. to 95 per cent. of the value of the property destroyed. The excess of loss above this limit line should be borne by the assured, thus eliminating moral hazard, and securing a greater degree of watchfulness over risks. This limitation involves simply the application of the *pro rata*—insurance to value—rule, commonly called the *co-insurance rule*, with a limit clause. It may be urged that this rule should not apply where property is not wholly destroyed, and that all partial losses of property up to say 50 per cent., or to the limit allowed, should be paid in full. This view of the matter is not without some plausibility, and deserves consideration.—*Fox.*

#### A GRAND CALLING.

What a grand calling is ours! What a commendable and gracious office it performs—restoring fire waste, and out of the ashes of desolation bringing forth restored temples of commerce, industry, and home. Sadness to-day is succeeded by joy to-morrow—the result of life's labor are preserved—all varieties of business and enterprise are stimulated and upheld, confidence is strengthened, and mankind are brought into closer relations in sharing and sustaining the burdens of property losses. Surely our profession is a noble one, and worthy of all honor.

No wonder it holds a position third only in the great developing instrumentalities of civilization. Wherever there is progress, you will find insurance present as an auxiliary agency, and where the highest conditions of society are known, insurance is recognized and patronized.—*Fox.*

#### TERM RISKS.

In accepting two annual rates for three years, we yield one annual rate for the privilege of gaining one, which is a discount of 50 per cent. The same discount is made upon five years' risks, for two annual rates are thrown off for the sake of collecting two additional ones. This discount is so great that but few underwriters will admit the

correctness of this statement, but if they will consider that the first premium is payable in advance, it is not difficult to see that we are so anxious to gather in increased premiums at any sacrifice, that we do in reality discount term business 50 per cent., and without any reference to the value of money, or whether the annual rate is sufficient or insufficient to stand any such discount.—*Bennett.*

#### THE THREE-FOURTHS CLAUSE.

I am not in doubt as to the value and importance of the *co-insurance clause, limited*, to be incorporated as part and parcel of every policy. It is a misnomer to call it the loss clause. We have used in the South, for some years past, what we call the three-fourths average clause, and also what we call the three-fourths loss clause. The first of great value—the latter far more valuable. Even the three-fourths average clause, in its partial use in insurance in smaller towns, and in ordinary village stocks, and especially in regard to dwellings, has, in the experience of those who have used it, paid for itself a thousand times over. The experience of "The Southern Mutual Insurance Company of Georgia" is in point. It gets all the business it is willing to write in the State, and for the thirty years of its existence has always had the three-fourths average clause printed in the body of its policies. It is a company so popular that it is necessary to take its new applicants in order as vacancies occur. It does a business of \$250,000 in Georgia, and returns its policyholders from 50 to 75 per cent. dividends annually; while most leading agency companies, in all the years since the war, have scarcely received premiums sufficient to pay losses and expenses. And here is the best comparison we can make. The one with the inducements and opportunities of fraudulent profits to the insured, prevented by the three-fourths clause, showing profits from 40 to 50 per cent. per annum—the others without such clause showing loss rather than profit. The able officers of that company have told me that they have attributed their success to the three-fourths clause.—*Mims.*

#### OVER-INSURANCE RESPONSIBLE.

I shall not detain you with further remarks as to any influencing causes of fire losses, more remote than that, which from my experience, in their consideration and settlement added to the experience and views of many other adjusters, I am sure is the grand leading cause, and then proceed to suggest what I consider the best remedy therefor, and which, lest it be not discovered, I take occasion to declare the theme of my discourse. To be plain, I consider the cause (hackneyed as it is) of the increased and still increasing percentage of loss by fire, in greatest degree, *the temptations for over-insurance*, and the safe opportunities offered under our present conduct of business, not only to evil designing persons, but worse still, to good men in their necessities, to burn their property, and thus render their policies claims against the companies for their fraudulent losses. There is nothing that wicked men can so safely use or abuse to their dishonest ends as an insurance policy. They are masters of their own houses, coming and going at will, and easily keeping others away. Any one having the opportunities of such incendiaryism, should, if he allowed himself to be discovered, be sued for lunacy. There is nothing either in the rulings of courts, or the verdicts of juries, to mar in the least the safe opportunity every insured man has to burn his own buildings and contents, and though, from all circumstances, suspected of the act, yet be free from arraignment, and as a general rule be not less considered by his neighbors than before. All manner of convincing circumstances, such, indeed, as leave no doubt in the minds of thinking people of the guilt of such incendiaries, are for naught, in the absence of the proof of the "*corpus delicti*."—*Mims.*

#### THE AGENCY SYSTEM.

A change in the mode of compensation does not reach the root of the matter. The very suggestion of a contingent commission is a confession that agents are actuated by self-interest, rather than the interests of their company.

To our mind, the whole structure seems

to rest on the character of the agent; and the necessity that the business getter shall be a man of good character, of vigorous and honest fibre in judgment and integrity, grows more and more on our thought as we contemplate the subject.

Character is the corner-stone of the system, the keystone of the arch; the rest is but ornament and minor detail. It is as true now as in Pope's time, that

"Worth makes the man, the want of it the fellow,  
The rest is but leather or prunella."

And one feels like throwing the whole thing into the waste basket, and declaring it to be an inborn and inwrought conviction that, give to a company a thousand honest agents, and they will make a success of the company by whatever system of reporting or compensation you may adopt.

In the earlier days, when the condition of life and trade were more simple, when slow intercourse fostered a higher sense of responsibility, when the scramble for business was less vehement, as the bribes of extra commissions were unknown, and when even the current rate of commission was much smaller, alluring fewer into the business, companies made more money with cruder forms and fewer records, largely because of the high type of character of their representatives.

If the character of agents is deteriorating, the companies are largely responsible for it by increasing the temptations, swelling the commissions, multiplying agencies, and stimulating a more rapid growth than the conditions of age or natural development warrant.

Hence daily reports, map bureaus, inspections by supervisors, compact manager's stamps, and all the expensive paraphernalia of management have become necessary to protect the companies from the natural consequences of demoralization, growing out of a lessening sense of responsibility on the part of the local agent.—*De Camp*.

#### INJUSTICE OF JUDICIAL OPINIONS.

Admitting that insurance companies have a right to complain of the injustice of judicial opinions in this country, much of it

comes from the mortifying facts that judges are in many instances so profoundly ignorant of business in general, and of insurance business in all its commercial and mathematical details and reasons, that they are constantly deciding that the principles of *life* and *fire* insurance are one and the same, than which there cannot be any greater legal error, and from this point they are constantly driving the principles applicable to each farther and farther from the general law of contracts. If I were to attempt to trace this great error to its source, and at the same time fix its limits, I do not think I need go any farther back than Marshall's work on insurance, which first made the law of warranty and representation the same in their application to life and fire insurance contracts.—*Fox, Jr.*

#### Installment Insurance Decision.

The Supreme Court of Georgia rendered a decision in the case of the Continental Insurance Co. v. C. H. Boykin, on August 3. The action was for the recovery of premiums due in three installments, the insured having given a note for the same. The policy provided for forfeiture on neglect to pay premiums. One clause exempted the company from liability in case of default in the payment of any installment due by the terms of the note. Another clause exempted the company during the continuance of the default, it having been elsewhere provided that upon the payment of delinquent installments the liability of the company should again attach. This clause was qualified with the addition: "nor shall any such suspension of liability under this policy on account of such default have the effect of extending such liability beyond the period of its termination, as originally expressed in writing therein." The assured was thus placed in a peculiar quandary. If he paid the defaulted notes he paid for insurance during the default, when there was no insurance; for the revival of the policy did not extend the liability of the company beyond the original termination, notwithstanding the suspension. Naturally he declined to pay the notes in default, and



pleaded that there was no consideration. The plaintiff carried no risk after the failure to pay the second installment, and as there was no extension of liability to balance the suspended period, there was no consideration. Judgment was given the plaintiff, of course, for "it was so nominated in the bond."

By consent, the case was referred to the Master, upon whose report, with exceptions thereto by plaintiff, the Circuit Judge decreed that said exceptions be sustained, and that plaintiff have leave to enter judgment for the sum of \$112.50 and costs. The Judge holding, "That the express covenant in the note being so explicit as to prevent the court from any effort to relieve the parties to the note from the full consequences of failure or neglect to pay any installment at maturity."

The appeal assigned error to this ruling, and contended that the clause attached to the note whereby on failure to pay any one of the installments at maturity, the whole became due and payable, was in the nature of a penalty, and as such plaintiff could only recover the actual damage sustained.

The Supreme Court decided as follows: The appeal requires construction of the two papers above referred to, to wit: the policy and the note. The policy contains the contract of the plaintiff, and the note that of the defendants. They were executed at the same time, and refer to the same matter, and to be properly construed they must be read together. In the policy the plaintiff contracts to insure the residence of defendant Boykin for a certain period and under certain conditions and stipulations, which are set forth. These stipulations are plain and easily understood, and even from a most cursory reading it will be seen that they were intended not as a means of vacating the contract, but were inserted as the conditions thereof, describing and indicating the character of the policy which the plaintiff was to issue and did issue.

The plaintiff took the risk of defendant's residence against fire for the period mentioned, for the sum of \$150, to be promptly paid in annual installments, upon the condition that upon default of any instalment,

not that the contract of defendant should end, but that the risk should cease during such default, with the privilege to the defendants to reattach said risk upon certain conditions.

When these contracts are thus read, the one after the other, it seems plain that defendants contracted to pay plaintiff \$150, in instalments, for policy of insurance covering defendant's residence, for a period of years, with the contingency that plaintiff's risk might cease during this period upon default of defendants in paying the installments; not, however, with any stipulation that defendants should be relieved from any portion of the \$150, but on the contrary with, as we have stated above, an express covenant, that upon the default of defendants, which was to discontinue the risk, the whole amount of the \$150 remaining unpaid was to become due and payable.

The plaintiff has not failed in any respect to comply with its portion of the contract; on the contrary, it has furnished to the defendants all that the contract required, and the defendants have received all that they were entitled to.

They could have continued the risk of the plaintiff for the full period of the policy had they chosen to do so, and if the plaintiff has been relieved from liability short of that time, it is the fault of the defendants in not complying with their portion of the contract.

Upon this default, with full knowledge that the plaintiff would be released thereby, they covenanted to pay the whole insurance money. This contract may have been an unwise and improvident one, but still the defendants made it, and, as said by the Circuit Judge in his decree, it being so explicit the court is prevented from any effort to relieve the parties from the full consequences thereof.

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A professor in the University of Ghent says that the use of chloride of sodium, in milk or water, is a guarantee of long life. Every co-operative should take this elixir with unfailing regularity. All grocers keep it, and will show it to you if you will call for salt.

## An Unlucky Claimant of the Uncharitable A. O. U. W.

### THE ORDER SUCCESSFULLY RESISTS A JUST CLAIM.

In our digest of recent insurance decisions this month, we print the recent ruling of Judge Reardon of the Superior Court of this city in the case of Carrie Lucky against the Ancient Order of United Workmen. W. L. Lucky was so thoughtless as to rely upon the promise of a fellow member to pay his dues before delinquency. Lucky was sick with an incurable disease at the time, and knew he could not pass a re-examination by a physician. His friend neglected to pay the dues, and they became delinquent. He subsequently tendered his dues to the subordinate lodge of which he was a member, and, while the Court does not say so in so many words, the inference is that his dues were accepted, but the Grand Lodge refused to allow the re-instatement without the passing of a re-examination. The Court of course sustained the refusal, but did so reluctantly. The claim of the widow Lucky was so clearly just that the Court, in giving judgment for the defendant A. O. U. W., went out of its way to 'recommend the plaintiff to the charitable and equitable consideration' of the order. Of course the kindly recommendation of the Court will be in vain; for if the Ancient Order of the United Workmen were a benevolent order, as it professes to be, this suit would never have been brought. Both the subordinate and the superior lodges were familiar with the facts in the case. It was known that Lucky was incurably ill, and that he had arranged for the payment of his dues before delinquent. His illness was not subsequent to his delinquency. He did not shirk his obligations, and then seek re-instatement because he had fallen sick. His beneficiary's claim was manifestly a just one, although untenable in law under the iron-clad certificate of the Ancient Order of United Workmen. Equity required the payment of the claim, whatever may have been the letter of the contract. The action of the order in the premises was eminently heartless, and it certainly exposes the hol-

lowness of the pretence of charity and fraternity so noisily put forth by the newspaper organs and other champions of the A. O. U. W.

A striking contrast to the foregoing example of a meanly technical litigant was recently supplied by an old-line life company and printed on page 449 of the June COAST REVIEW. A Boston physician, who had carried a \$10,000 policy for a number of years, applied for a paid-up policy. Before the matter was settled the policy was mislaid, and it was not recovered for sixteen years. Although the policy was forfeited, according to the terms of the contract, the company, upon learning the facts, forwarded to the doctor his paid-up policy.

If Mr. Lucky had been insured in a genuine life insurance company, instead of a so-called fraternal life insurance company, there would have been no forfeiture and no law suit, and Mrs. Lucky's claim would have been promptly paid. Delinquency, however excusable the circumstances, works instant and complete forfeiture in all "benevolent" and business co-operatives.

### The Home Wildcat of Seattle.

At Seattle, W. T., there is a wildcat called the Home Fire Insurance Co. Its officers, and even the office, are unknown to the people of Seattle. The company claims to have been incorporated, but no articles of incorporation have ever been filed with the proper officials. There are no assets in the possession of the company, though capital and assets in excess of capital are advertised. The "Home" of Seattle is in fact as big a fraud as the late Puget Sound Ins. Co. of Tacoma, W. T., the remains of which are undergoing an inquest by a receiver. Among the wildcats writing on buildings in Idaho is this "Home" of Seattle, and it incurred a loss of \$220 at Ketchum. That is a very large sum of money, but the managers had it or borrowed it, for they actually paid the claimants. But they exacted from them a written receipt, recommending the company and conveying the impression that all the burned property was insured in the Home of Seattle. The alternative was to sign the receipt or lose \$220, and the claimants

signed. This highwayman method of securing recommendation is practiced by all the wildcats in the Pacific Northwest. The receipt in question, written by the officers of the company, also falsely represented that a local banking firm were their agents, and the claimants had to endorse that lie, too, or lose their \$220. If the policy-holders of the Home of Seattle don't forthwith throw their policies aside and insure in sound companies, some of them will lose all interest in that favorite melody, "Home, Sweet Home."

### California Life and Accident Association.

#### REPUDIATION OF ANOTHER LEGITIMATE CLAIM.

On the 9th of August last an accident policy was issued to James Thomas Ish by the California Life and Accident Association of San Francisco. The policy was for \$1,000 in the event of accidental death, and \$10 per week during disability from accident. The risk was insured as an extra hazardous one, as the "insured" is a wrecker by trade. The agent of the association collected \$6 from Mr. Ish and delivered the policy or certificate to him when he was embarking for San Diego, where he was to be employed on a wreck on the beach. While working on the wreck, Mr. Ish was thrown over the lee rail by a breaker, and suffered a fracture of two ribs. He is still physically unable to follow his vocation of wrecker. Proof of his disability was signed by his employer, Mr. Whitelaw, by the foreman, Mr. Forest, and by Dr. Fenn of San Diego, who certified to the fracture. The injury was sustained on the 13th of August. On the 24th of August, Mr. Ish returned to San Francisco, and notified the California Life and Accident Association of the injury. The Secretary, Mr. Pettis, did not conceal his extreme annoyance over the maturity of the claim so soon after the issuance of the certificate. Frequent assessments, seceding members and clamorous claimants have evidently soured the Secretary's temper. Under the circumstances, Mr. Ish was very inconsiderate in getting hurt before the Secretary had a chance to collect any assessments from him, and the indignation of

that testy official was natural. The physician employed by the association examined Mr. Ish, and told him that he would report the extent of his injuries, adding that he (Ish) need not worry about his claim. On the following day Secretary Pettis told Mr. Ish that the examining physician had reported him to be a perfectly sound man; but the Secretary failed to show the report of the physician. The cheated claimant determined to bring suit against the association, but was advised by counsel to let the matter drop, because a judgment against the association would be worthless; for there is no property to levy execution upon, and if an assessment should be levied by order of the court, it would yield less than fifty cents on the dollar, according to a confession over the Secretary's own signature.

### The Mutual Benefit Life Association of America.

#### EXPOSE OF A NEW AND SMALL HAT-PASSING LIAR.

The Mutual Benefit Life Association, of America, a New York co-operative, is doing some business on this Coast. A list of San Francisco members is circulated as "references," to persuade the unthinking that the members endorse the association. There is no evidence that the members whose names are paraded in print ever gave permission to use their names as "references." They are not "referred to by permission." The so-called references are simply a list of members obtained through trade and friendship and importunities, and ignorance of the weakness of the concern and the extravagance of its management.

The Mutual Benefit Life Association is one of the weakest of the co-operatives. On the 31st of last December its total membership was only 3,563. We imagine that the only good reputation it has, if any, is derived from the resemblance of its name to the Mutual Benefit Life, of Newark. The projectors of the New York humbug doubtless named it the Mutual Benefit Life Association, in the belief that they might thereby share the good reputation of the sub-



stantial Newark company, by deceiving an ignorant public. Let us look at the figures of this three-year-old New York hat-passer. It received \$165,286 from members during 1885, and returned to them, in the shape of losses paid, \$60,012, or 36 per cent. That was a good profit—\$105,174. The expenses were \$83,736, a trifle more than the receipts from fees and dues, and nearly equal to the amount received from assessments. The expenses were exactly 39.5 per cent. *more* than the death claims paid. The member gives the association a dollar to pay a death claim, and pays the managers \$1.39 for delivering the dollar. The receipts from assessments were \$85,523, or \$25,511 more than was required to pay losses. This excess was not required to pay expenses, for, besides the \$79,763 of fees and dues, there was \$20,968 received from "other sources." The excess, if not pocketed, is invested in "assets" wherewith to bait the co-operative hook, and will probably be invested hereafter in some country with which the United States has no extradition treaty. The expenses of management of the Mutual Benefit Life Association of New York, last year, were over 50 per cent. of the total amount received from members. The association is a good thing for the managers—a very profitable collection agency.

The Mutual Benefit Life Association has an imposing board of directors—all figure heads, selected merely for the influence of their printed names. They do not guaranty the ability of the association to meet its obligations; and we venture to say that they have only a nominal, not a directing, relation to the business management. It is the fashion of co-operatives to select figure-head trustees and directors, to whom they grant free insurance for the use of their names. We give the proof of this co-operative trick, on another page. It is a letter offering free insurance for the use of names, and was written by the Secretary of a San Francisco hat-passer.

In a circular issued by the association, the lying claim is made that similar life associations have been in successful operation in England over 150 years. There is not a word of truth in this claim. Assess-

ment insurance is unknown in England, and there is no company there like the Mutual Benefit Life Association. On page four of the circular a table is given, showing "the length of time this system of insurance has existed in England." Fourteen companies are cited, which were organized at various periods, from 1696 down to 1847. The companies thus cited as examples of the co-operative or hat-passing systems are the British Empire, Clergy Mutual, Equitable, Friends' Provident, Hand-in-hand, London Life, Metropolitan, Mutual, Provident Clerks', Reliable (Reliance), Scottish Amicable, Scottish Equitable, Scottish Provident, and Scottish Widows. All these companies are old-line, level-premium, genuine life insurance companies, with cash assets ranging from nearly \$3,000,000 to \$40,000,000. One of them, the Scottish Widows, is the largest life insurance company in Great Britain, and one of the largest in the world. The circulation of the impudent lie that these old line British companies are co-operatives, similar to the Mutual Benefit Life Association of New York, would surpass belief if the evidence were not before us in a circular issued by the association. Is there any honesty in the management that will print and circulate such a bald lie to deceive the public?

Among the reasons assigned for the alleged "success" of the association are the following: Because its members are selected from "the leading business and professional men." Is there anybody so innocent as to believe that the association will not accept any reasonably healthy risk? Its certificates are hawked about among all classes, and the greener the community the greater the success of the solicitor. Another reason for the great "success" of this petty hat-passer, is that it receives members "only from the healthy sections of the States and Territories." Well, we'll wager a new hat against the association's old hat, that risks will be accepted by the management from any unhealthy, ague-stricken, fever-breeding district in the Sacramento valley or anywhere else, if the application is accompanied with the fees. The claim is made that the managers are "citizens of recognized ability and integrity." Yes, the managers

"recognize" the "ability." The "final because" accounting for the "success" of this little fraud is the "stringent statutes of the State of New York." Turning to the New York statutes, we find that co-operatives are not required to have any capital, are not required to make a deposit, are not required to pay claims in full, and are not required to give security for the funds entrusted them. The statutes of New York extend no protection to the members of the Mutual Benefit Life Association of America.

Prominence is given to the announcement that the Farmers' Loan and Trust Company of New York is the "trustee" of the mortuary and reserve funds. The design, in making this announcement, is to impress the public with the idea of financial stability, guaranteed by the alleged fiduciary relation of the trust company with the Mutual Benefit Life Association, and of the perfect security of both mortuary and reserve funds. The fact is, the trust company is merely a banker and investor for the hat-passer. It takes the funds of the association—when there are any funds—as a deposit, and if there is an excess over mortuary claims, that excess is invested by the trust company for the benefit of the association. The mortuary fund is subject to a check drawn by the officers of the association, and the "reserve fund" is likewise subject to their check, for it may be transferred at any time to the mortuary fund. The trust company is virtually a bank of deposit for the association, and has no more authority over the funds of the association than any bank has over the deposits of a depositor. The facts, as the reader will readily perceive, show not only that the boasted security of the funds of the association is no security at all, but that the specious claim of protection to claimants is a lie without any artistic similitude of truth, though meant to deceive.

But worse than this story of security by "one of the strongest financial institutions in the world," worse than the glaring falsehood of fourteen British co-operatives with millions of "accumulated reserve funds," is the estimated cost of a certificate of membership for five years, at age thirty in the Mutual Benefit Life Association of

America. For \$1,000 insurance the total cost for five years is placed at only \$45, and for larger insurances the total cost is less in proportion. The assessments are estimated at only four per annum! You members of better and stronger co-operatives, which levy from ten to eighteen or more annual assessments, and seldom or never less, per \$1,000 of uncertain insurance, what think you of such gross deception as is embodied in such an impossible estimate? The managers of the association are certainly unscrupulous. They present the "actual cost" for 1884, when the association was starting and the death rate necessarily nominal, and they purposely leave the reader to infer that the "actual cost" for that period is the probable cost for the future. What does the association promise in its table of estimated cost? It promises \$1,000 for \$267. The life expectation of a man at age thirty is thirty-five years, according to the American experience table. Deducting the \$8 admission fee required for a \$1,000 certificate, which he pays only once, we find that the "estimated cost" in dues and "average assessments" is \$7.40 per annum for the entrant at age thirty. The average expectation at that age, as we have said, is thirty-five years. Thirty-five times \$7.40 is \$259. Adding the \$8 admission fee, we have \$267 as the estimated payments to secure \$1,000. The estimated payments to secure larger sums for beneficiaries are less in proportion.

The man who believes that the Mutual Benefit Life Association of America can pay nearly four dollars for one, besides expenses, as promised, is a fool, who may be entitled to the sympathies of his fellow-men; but figures, facts and common-sense reasoning would be as thoroughly wasted upon him as upon a fence-post, from which better heads can be carved.

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At the grave the widow bore up bravely, but on the way home she suddenly burst into a flood of tears. "I c—can't h—h—help it," she sobbed; "we just p—passed the office of the c—company that John had h—his life insured in, an' when I th—think of that poor man's thoughtfulness, I just h—have to cry."—*Ex.*



## Rewards Should Not be Paid to the Law's Servants.

Will our San Francisco friend and neighbor please point out "the facts," or some of them, which prove, or tend to prove, that "the judicious distribution of rewards is most effective in the detection and conviction of incendiaries?"—*Insurance*.

Our friend and neighbor on the other side of the continent will find the facts on page 19 of the printed copy of President Heald's address last July. One hundred and sixty-nine convictions were secured by the "judicious distribution of rewards" to the amount of \$32,225, during the past thirteen years. The low per cent. of amount paid to amount offered ( $.04\frac{7}{10}\%$ ), and the small average annual payment (\$2,478), do not indicate that the reward system stimulates a very extensive manufacture of testimony and the conviction of innocent men. The average reward paid for the conviction of the one hundred and sixty-nine incendiaries was only \$131.50, a sum which would hardly tempt the most avaricious to suborn witnesses and otherwise spend money on the chance of a conviction.

However, we doubt very much whether the reward system, or the conviction of incendiaries, for that matter, has ever diminished the sum total of incendiarism by deterring anybody inclined to burn property. The incendiarism which the public and underwriters have to fear is the incendiarism of two classes: the lawless who own no property, such as vicious tramps and desperate thieves; and the property-holders who are over-insured or financially embarrassed. For neither class has the law any terrors. The former care little for imprisonment; the latter, with money at their command, defy the law. The incendiary property-holder is deterred from burning his property, not from fear of the law or "the judicious distribution of rewards by underwriters," but from a well-grounded fear that the underwriters will not pay his loss. Still, we do not advocate the abolition of the legal penalty or the abandonment of the reward system. Crime should be punished, and conviction should be as certain as the succession of day and night.

But we are opposed to the payment of rewards to the paid servants of justice. Rewards not only do not stimulate their zeal, but do prompt them to neglect their duties and ignore the evidence of incendiarism when a reward is not offered or a *douceur* not forthcoming. Rewards should be given, not to the paid attorneys or police of the law, but to detectives and others who may, by the expenditure of time or money, or both, develop the evidence necessary for the conviction of an incendiary. The reward system, as now carried on, is responsible for embarrassing delays of the law, tending to the defeat of justice and the exaction of larger rewards.

## Steam Pipes and Woodwork.

An engineer writes the *Scientific American* as follows: "I am of opinion, from practical experience, that hot water pipes in contact with wood-work are dangerous, and I only wonder that insurance companies do not refuse to insure where the necessary precautions are not taken to isolate pipes sufficiently to prevent danger, which as I shall presently show, it is easy to do. During soft weather steam and hot water pipes become very hot from the surrounding air being too warm to relieve them of or abstract their heat as colder air does. On one occasion this winter, a very soft day, my steam boiler had raised the temperature throughout all the pipes about the house to such a scorching heat that everywhere the woodwork was very hot, and I could not bear my hand on any portion of it without burning it as if I held it on a hot stove. It is only two or three weeks ago that a towel laid across the coil in a room on the third floor of a house was actually scorched as if by a red-hot iron, and this has happened more than once. True, water heated under atmospheric pressure only attains to a heat of 212 degrees Fahrenheit or 100 degrees Centigrade; but in a five story house, even with an open well or cistern in the garret, above a height, say, of fifty feet—equal to a pressure per square inch of nearly twenty-two pounds—the water, of course, reaches a much higher temperature than it does in



any closed vessel; and if to this be added the additional pressure or resistance in the rising mains due to the retarding by friction through long stretches of pipes with numerous right angled bends, it is easy to understand how the temperature required to force the column of water along may be increased so as to become exceedingly dangerous."

### How References are Got by Co-Operatives.

#### FREE CERTIFICATES GIVEN TO INFLUENTIAL MEN FOR THE USE OF THEIR NAMES AS REFERENCES.

The co-operative life insurance associations—we refer particularly to the business or speculative variety—cunningly strengthen their claims to public confidence by printing the names of influential citizens as references. Sometimes the names are simply those of members, and are printed as though referred to by permission. In other cases names are boldly used as references without any permission. Sometime ago we printed letters from the "references" of a San Francisco co-operative, in reply to a question as to the extent of the endorsement thus given the association. All the writers denied any intention of endorsing the methods or stability of the association. They merely endorsed the good character or reputation of this or that officer, and not the kind of insurance he offered. Usually when these references are genuine, the names are obtained through the good nature or carelessness of their owners, who like the applicant or sympathize with him in his struggle for a living. Some, less scrupulous, allow the use of their names for trade's sake. Others serve as figure-heads, or permit themselves to be "referred to by permission," for "a price"—for a free certificate or a petty emolument. Proof that the references or figure-head directors of co-operatives are no evidence of worth ought to be unnecessary; for co-operatives so fortified with influential names have failed repeatedly, and are failing as regularly as the weeks pass by. The best endorsed co-operative fraud anywhere was Tully's marriage-endowment association—a swindle without a redeeming feature.

The following is an extract from a letter written to the Sacramento agent of the California Life and Accident Association of that city, by the Secretary, in which the admission fee is offered to "prominent men," becoming members, for the use of their names for reference purposes:

SAN FRANCISCO, Jan. 20, 1886.

DEAR SIR—You go ahead and give away 25 life policies to prominent men in Sacramento—that is, start in and make up a local board yourself, and tell these men that you wish to use their names as a board of reference, to show people outside of town; and that the society has authorized you to take their applications and omit the membership fee. All they will have to pay is their annual dues and assessments. I think this will please them, and that it will work successfully, and that you can make it work quickly. Let them take any amount they want, from \$1,000 to \$5,000. It does not make any odds, so long as you get their names. Just present the matter to them in high tone style. This, you understand, is for membership in the life department, and it will give you then something to work upon as a reference list.

W. H. PETTIS, Sec'y.

Comment on this "high tone" letter would diminish the effect.

### The Fargo Insurance Company.

The Fargo Insurance Company of Sioux Falls, Dakota, is making itself conspicuous in our mail, and in others', no doubt. What sort of a company is it, anyway? The Year Book contains its figures; but the Year Book also gave the Anglo-American's figures. The Fargo's capital is given at \$200,000, but the company claims only \$100,000, and announces that an increase of \$50,000 has been "arranged." We do not find that the Fargo has submitted to an examination by any Insurance Commissioner. The company prefers to do an underground business. It is true that a statement has been filed with the Auditor of Dakota Territory; but that was a formal action which should carry with it no satisfactory evidence of the company's reliability. The defunct Washington of New Tacoma, W. T., and the State of Salem, Or.—both wildcats—likewise filed statements of assets and liabilities; but, like the Fargo, neither dared to face a critical examination by a disinterested Commissioner of Insurance. The Sec-

retary of the Fargo is a Chicago insurance agent, and lives in Chicago, where his company is not authorized to do business; but he says, in a printed circular, that "all business intended for the company should be sent directly to us," in Chicago. That looks like an exhibition of the company's claws. If the Fargo is not a wildcat, it is certainly a prowler, and must thrive, if it thrives at all, on "underground" meat. The other officers are to be found almost anywhere but at Sioux Falls. The alleged assets of the company are summarized as stocks, etc., which may be worth the sum claimed, but are probably not.

### California Supreme Court Decision.

Complaint did not have attached thereto the application for insurance, but the defendant, in its answer, set out the tenor and effect of that application. *Held*, That the omission of the application was not a reversible error, as the defect in the complaint was cured by the averments of the answer.

DEFECT IN THE COMPLAINT — *Schenk v. The Harford Fire Ins. Co.*; Cal. S. C., Sept. 21, 1886.—This was an action upon a fire insurance policy. A demurrer was interposed to the complaint and overruled. The defendant then filed an answer and went to trial before a jury, who found a verdict for the plaintiff. From the judgment thereupon rendered, the defendant has appealed.

The cause comes here upon the judgment-roll alone, in which the defendant contends that a reversible error appears in this; that the complaint did not have attached thereto as an exhibit or otherwise made a part thereof of the application for insurance, which it has been declared should be done in *Gilmore v. Lycoming Insurance Company*, 55 Cal., 124.

It is true that the plaintiff did not follow in his pleadings the rule as laid down in that case, and the demurrer on that account should have been sustained, but the defendant in its answer set out the tenor and effect of that application so far as was deemed necessary to its defense, and pleaded that by reason of a breach of that contract so set out the plaintiff should not be permitted to recover.

Thus there was presented to the jury for trial by the pleading of defendant an issue of fact which had been decided against it by a jury, and as there is nothing in the judgment-roll to show to the contrary, we must presume that the evidence warranted the verdict.

The defect in the complaint was cured by the averments of the answer. (*Pomeroy on Remedies and Remedial Rights*, Sec. 579.)

By the choice of the defendant the fact, which was essential to the plaintiff's recovery, which had been omitted to be pleaded in his complaint, was so pleaded in the defendant's answer, with a view to defeat the plaintiff's recovery, that a jury was enabled, upon evidence before it, to pass upon the issue raised and tendered by the defendant. If the defendant has been beaten upon its own chosen ground of battle, which, but for its pleading, could not have been there fought, we cannot see any good reason to reverse the judgment here in order that the plaintiff may plead in his complaint and tender as an issue to the defendant, to be retried, that which, of its own choice, the defendant, in its answer, has already tendered to the plaintiff, upon which the controversy has been tried before a jury, and by it determined, as we must suppose, properly.

We perceive no error prejudicial to the defendant, and the judgment should be affirmed. FOOTE, C.

### Prejudice Against Insurance Companies.

The prejudice of the general public against fire insurance companies has been increased by their experience in the settlement of losses. The great desire on the part of a certain class of companies to obtain a salvage has led them to employ persons in the settlement of losses who have had a reputation for securing it. This demand upon the part of those companies has resulted in many instances in a system of sharp practices which are unworthy of honest men. The desire to obtain a salvage has ruled out justice. An unfair advantage has been taken because of the necessity of claimants, and a settlement forced which was not ac-

cording to the plainest principles of equity. Such cases, let us hope, are now rare, but we can all recall instances where an advantage has been taken which was not justifiable. One such instance is sufficient for a neighborhood, and is likely to be remembered for a generation, at least. I do not forget the many instances where the advertiser meets accomplished rascals, nor how universal is the tendency of claimants to exaggerate their loss, but I do not think it wise to attempt to cover up or deny our own mistakes, if we have made them, but looking at the situation as it really is, seek to correct them.—*E. W. Lyman.*

### Commissioner Wadsworth and the Sun Fire Office.

#### THE MATTER NOW RESTS WITH THE ATTORNEY-GENERAL.

In July last, as the reader doubtless remembers, Insurance Commissioner Wadsworth notified Messrs. Hutchinson & Mann that the Sun Fire Office of London had not complied with the law, and that they must discontinue doing any business for the company, as its agents or managers, until the statement required by law had been filed. Before taking this step the Commissioner laid the matter before Attorney-General Marshall, requesting his opinion. The Attorney-General replied that the statement filed by the Sun Fire Office did not comply with the requirements of the law. He added that the authority of the Commissioner extended no farther than a notification to the delinquent company of the insufficiency of its statement, and to "require it to cease underwriting in this State till a lawful statement is filed." The correspondence was printed in the August COAST REVIEW.

Section 601 of the Political Code of California provides that if any person fails to comply in all respects with the insurance laws of the State, the Commissioner must communicate the fact to the Attorney-General, who must commence an action against such person.

Upon the receipt of Messrs. Hutchinson & Mann's letter declining to discontinue writing for the Sun Fire Office before the

expiration of the certificate issued by his predecessor, Commissioner Wadsworth communicated the fact to the Attorney-General, as required by the law quoted. This was on August 23. At the present writing (October 1) the Attorney-General has taken no notice of the Commissioner's communication, neither replying to it nor beginning the action required by the statute. The Commissioner has done all that his authority permits. The disposition of the matter now rests with the Attorney-General alone.

Following is Commissioner Wadsworth's letter to Attorney-General Marshall:

OFFICE OF INSURANCE COMMISSIONER,  
SAN FRANCISCO, August 23d, 1886. }

HON. E. C. MARSHALL,

Attorney-General of the State of California:

*Dear Sir*—In accordance with your opinion regarding the Sun Fire Office Co. of London, England, that they had not complied with the law, I, on the 16th day of July last, notified Messrs. Hutchinson & Mann to discontinue doing any insurance business in this State as agents or managers of the Sun Fire Office Co. of London, England, until such time as the statement required by law was filed in this office.

On the 20th inst., Messrs. Hutchinson & Mann replied that the statement filed by the company with my predecessor had been accepted by him and a certificate granted the company which conferred full authority for it to transact insurance business, and valid until the 1st day of May, 1887.

Messrs. Hutchinson & Mann, in their communication, ignore the vital point in controversy. They do not even claim that the statement made by this company complies with the laws of this State, but say that "any possible difference on the subject can only be a purely legal one, and in view of the opinion of the Hon. Attorney-General, we feel it our duty under all the circumstances to continue such business on behalf of the company."

I differ with them and believe they should act strictly in accordance with my notice given, that the company should either comply with our laws, or refrain from doing business in this State.

Complaint has been made to me that the company is still underwriting in this State, and request made that I take action in the premises. This is an important matter, and should be decided at once.

For the reasons stated, I enclose you a copy of Messrs. Hutchinson & Mann's letter, and request you to institute the necessary proceedings at as early a time as possible to have the matter adjudicated.

Yours respectfully,

J. C. L. WADSWORTH,  
Insurance Commissioner.

Messrs. Hutchinson & Mann's letter was printed in the September COAST REVIEW.



### A Gilded Sham.

A citizen of Modesto, Cal., writes us for information as to the "foundation" and the "prospects" of the Mutual Reserve Fund Life Association of New York. Insurance agents inform him that it will not last many years; but there is a question troubling him, namely: if the solicitor who persuaded him and his wife to insure in the association deceived him, why should any greater confidence be placed in the representations of the aforesaid agents? If insurance agents were not proverbially truthful and disinterested counsellors we should join him in the inquiry.

We will be plain with our correspondent, and as brief as the subject will permit. He is evidently unfamiliar with the basal principles of sound life insurance. We judge, too, that he knows so little of the association in which he is insured that he believes it to be a legitimate business enterprise with money backing it; for he wants to know if it is on "a solid foundation." His letter is well written, and its construction indicates education and intelligence; yet the question he puts is an evidence of simplicity itself. Can any enterprise which depends upon contributions to pay its contracts be on a solid foundation? Such an enterprise can have no financial standing; its contracts have no marketable value.

What chances of prolonged life has the Mutual Reserve Fund Life Association? The chances cannot be based on the co-operative plan, for it is merely an experiment; they cannot be based on the assets, for they are nominal and are not greatly in excess of the liabilities. The probable longevity of the association must be based on the record it is making and the experience of similar co-operative enterprises. The unenviable record of the association and the black record of co-operative failures testify unmistakably to the brevity of the career of the Mutual Reserve Fund Life Association.

We need not refer to the hundreds of co-operatives that have failed in Ohio, in New York, in Pennsylvania, in Massachusetts, and in other Eastern States during the past few years. The disastrous record is a fa-

miliar and a shameful one. Not a co-operative has yet lived to prove the success of the plan. The older co-operatives, both business and fraternal, are in trouble. The death rate cannot be kept down by an infusion of new blood. The undisputed record of high death rates, of compromised claims, of technical litigation, and of final failures, is a record that furnishes an impressive prophesy of the brevity of the life of the Mutual Reserve Fund Life Association. This prophesy of a short life is supported by the record of the association itself, and the character and sensational methods of the management.

The litigation in which the association is constantly engaged is astonishing. Its certificate was apparently framed for the purpose of resisting claims. There are twenty and more causes of forfeiture. Nearly every clause in this certificate is an exposure of the claws of the association—of a wildcat's claws. Last year 13 per cent. of the death claims was resisted. So far this year, about 16 per cent. of the death claims is the subject of litigation. Pacific Coast members of the association are particularly liable to forfeiture, as they are so far from the home office; for failure to receive an assessment *at the home office*, 3,000 miles away, within thirty days after the assessment is ordered, is a cause of forfeiture, regardless of any miscarriage of the mails.

Since January 1st, according to the report of the death claims committee of the association, \$92,507.99 has been "saved" in the settlement of only thirty-one claims. The claimants were compelled to take whatever they could get. On the 1st of July the resisted claims aggregated \$151,000, a gain of \$27,000 in six months. This extraordinary and disgraceful litigation is in the main owing, we firmly believe, to the dire necessities of the association, and not to fraudulent claimants, as alleged. There cannot be any such proportion of rascality among claimants. The percentage of claims resisted by the Mutual Reserve Fund Life is greater than that of a majority of all the life companies combined. The explanation is—a large death rate. The assessments are kept within practicable limits by whole-

sale repudiation of death claims and by compromise payments. The sudden resolution of the managers to establish foreign branches is in line with this effort to lower the death rate and keep members within the traces. It is an effort to postpone inevitable failure by an increased membership. The relief from present embarrassment will be merely temporary, for the new field will be more speedily exhausted than the old.

The Mutual Reserve Fund Life Association of New York is a gilded sham. All the signs point to serious trouble ahead.

### Building Materials.

EXTRACT FROM A PAPER BY JOHN W. ROOT  
ON ARCHITECTURE AND FIRE INSURANCE,  
READ AT THE RECENT ANNUAL MEETING  
OF THE FIRE UNDERWRITERS' ASSOCIATION  
OF THE NORTHWEST.

Considered in their fire-resisting qualities, the first is fire-clay. This material has become of late years an invaluable adjunct to various classes of buildings, and it is safe to say that the near future will see it used in a vast number of directions now scarcely dreamed of. In its various forms it may be so cheaply made and so easily and inexpensively applied that there is no excuse for our relative indifference to it. It can be made in forms vastly lighter than brick, and consequently can be used in many cases where for reasons of weight a brick wall is not possible. Moreover, being made in hollow or porous forms, its air cells make it an ideal conductor of heat, and consequently but scarcely less vitally an admirable "non-conductor of cold." On the cheaper methods of its application we will touch later in this paper.

#### BRICK.

Brick as the next of these fire-proof materials must probably always hold its own. The cheapness of its manufacture, the ease and certainty of its use, the satisfactory artistic results obtained from its finer forms, all make it now what it was to the Romans, among the noblest of building materials. Terra cotta is of course classed as brick, being in all respects a merely special form of brick, but better tempered in the clay,

more carefully molded and more thoroughly burned than most brick.

#### IRON.

Iron has not held its own in the list of building materials. Of course we can't do without it, but it is always to be distrusted when freely exposed to the possible action of fire. Any high degree of heat in great measure impairs the efficiency of the material, or at best renders it liable to fracture under the sudden action of cold water. In the case of girders of wrought iron, especially when exposed freely on three sides, the danger from heat is peculiarly great, because the tensile resistance of the metal is so much lessened. Even if under this weakened resistance of either iron beams or girders the deflection is inconsiderable, it will probably be enough, in the case of girders, to drop the floor joists resting upon them, or in the case of columns, to throw the direction of weight out of the axis of the column and so break or overturn it.

#### IRON GIRDERS.

Many of our shop fronts are carried on iron girders carried across from post to post at the line of the second floor, and freely exposed. Here, although the chances are in favor of stability, yet the security would be greater if these iron girders or lintels were covered with terra cotta or fire-clay. If the iron lintels have no essential work to perform, as in the case of several of the newer large buildings, they may be safely left unprotected. For these and similar reasons iron cannot be regarded as an ideal fire-proof material, especially when it is remembered how intimately connected all the parts of a building often are, and how fatal to the entire building may be the failure of one of its parts.

In all architectural work where iron has considerable weight to carry, it should therefore be protected from heat. The best thing for the purpose is probably some one of the various forms of fire-clay in common use. But when these are not to be obtained, or are for any reason too costly, a covering of asbestos in paper or fiber, or even of wood, provided the wood clasps the iron without intervening air space (this condition is essential), is better than nothing.

## STONE.

Stone is now, as it has always been, the highest of all materials for building. Nothing can compare with it for the dignity of its expression and the facility with which it lends itself to all varieties of architectural expression. But regarded as a rival of brick in either its fire or time resisting qualities, it must be conceded that it must take the second place. Whenever stone enters very largely into the structure of a building, it is of the utmost consequence to know by actual test what is its action both under the direct contact of flame, or when suddenly cooled off by water. Nothing is stranger than the widely varying performance of different kinds of stone under fire; and I know of no means of predicting with anything like finality what a given kind of stone will do. Underwriters as well as architects are interested to see that all quarry owners furnish with their stone not only tests of its water absorptive power and crushing resistance, but also of its precise action under great heat. Until this be known, absolute dependence on the integrity of a given kind of stone is unwise. This is especially true in walls faced with stone, and in piers of brick bonded with stone. In the first case, if the stone facing disintegrates under heat, the result is of course to make thinner places in the wall where this disintegration takes place, thus creating a tendency of the wall to fall outward. When, in the case of piers, the exposed edges of bond stones are burned away, the efficient carrying area of the pier is reduced to a smaller and interior section, thus making it less safe, not only because of this diminished area, but also because few except such masons as built the wall of the New Jerusalem, ever build the inside of a pier as thoroughly as the outside, and that part of the pier called upon to do the extra work is the part least able to do it. In all cases where stone, whose fire action is unknown, is used for piers, the pier should have considerable excess of size; and where such stone is used for wall facing, the brick wall which "backs" it, should be thick enough to do all the work necessary for perfect stability without the stone.

## WOOD.

Wood is of all materials used in building the most generally misunderstood. Any one who has by slow and laborious degrees learned to kindle a wood fire in an old-fashioned fireplace knows by practice just how nearly fire-proof wood may be. Wood, like paper, is very inflammable when cut thin and surrounded by an air space, but (always excepting certain highly resinous woods which burn under all conditions) when in large masses burns with comparative slowness. This peculiarity it was which made very slow burning a wood house constructed by the methods prevalent in England, under Elizabeth and Anne, and in parts of New England in the early years of the last century. Wood, applied thus in large pieces, has the advantage over iron that the application of heat impairs its area only, without modifying the efficiency of the part which may remain, and the action of water upon it has no effect. For these reasons it seems evident that for many purposes heavy solid wood posts and girders are preferable to a similar construction of unprotected iron, again assuming that we are not considering the few highly inflammable woods above mentioned.

## "FIRE-PROOF" PAINTS.

Wood may also be protected by a number of cheap devices which greatly add to its efficiency. Preparations of creosote and other substances are made into fire-proof paints, which are often treated by both underwriters and architects with neglect, because they do not do what they seem to profess, make the wood fire-proof. But this they do not, or should not pretend to do. Their object is simply to retard combustion; and to sufficiently accomplish this is practically to solve the problem. What has been said of wood has no relation to the use of it as we commonly see it, since, for reasons stated later on, the typical balloon frame house, and the method commonly used in its construction is just the principle used in the piling up of wood preliminary to a successful bonfire.

## ASBESTOS.

Asbestos is a material coming into larger



use, from which we may expect results of importance. Whether used in fiber as a packing, or applied as a paper in an interlining, it is of very considerable value in retarding the progress of fire. The same thing is true of such preparations of silica as "mineral wool," and of the substance called fossil meal, and in an essential degree of plaster of Paris, whose use for fire-proofing purposes is as general in Europe as it is rare here.

#### GLASS AND PAPER.

Two materials not yet in sufficient structural use to warrant an extended notice, but each possessing peculiar merits, are glass and paper. Glass is perhaps one of the most important of the building materials of the future, and its use will develop new applications of other materials from its protection from fire. Paper in various compressed forms will also come into more or less general use, and will have the greater advantage that in bulk it burns very slowly, and that in its preparation for use it can be readily treated by chemical processes, so that it becomes nearly fire-proof.

#### National Convention of Insurance Commissioners.

The seventeenth annual convention of State Insurance Commissioners was held in St. Paul last month. Officials were present from Illinois, Ohio, Rhode Island, Massachusetts, New Hampshire, Missouri, Minnesota and Colorado. The annual address was delivered by President Swigert. Commissioner Tarbox of Massachusetts was elected President for the ensuing year, and Niagara Falls was selected as the place for the annual convention next September.

A resolution was offered condemning the insurance of property without inspection or appraisal, and the lack of discrimination in the character of risks, and the absence of building laws. The resolution was adopted. Another resolution, also adopted, declared that the interests of the insuring public require that co-operatives shall not be permitted to do business after they become unable to pay the face of their certificates.

#### THE FIRE LOSS A GREAT DRAIN.

Referring to the national ash heap, President Swigert said:

It is essential to an intelligent consideration of the remedy, to ascertain, if possible, the cause of the evil. The discussion of the causes and the remedy would require more time and space than can be accorded them within the limits of these remarks. If incendiaryism and carelessness are as prolific of results in this direction as they are claimed to be, it is evident that a large proportion of this destruction is preventable. What is so conducive to either incendiaryism or carelessness as the hope of gain? It is certain that the fear of loss, if not the absence of the expectation of gain, will deter from willful burning and stimulate measures of protection. Over-insurance or even full insurance for a term of years, sometimes through design of the insured, sometimes the fruit of the agent's cupidity, and not always discountenanced by the company, is a fruitful temptation to willful destruction of property in the hope of realizing more than indemnity for the loss. If to this is added the valued policy law, now on the statute books of some of the States, the conditions most favorable to this end would seem to be reached.

It is usually more difficult to apply the remedy than to discover the evil. I think that is true in this case. I shall not discuss the measures by which this evil can best be prevented. I shall leave that to this convention, if it is your pleasure to make it a subject of your deliberations. Upon the valued policy law, this convention at its last session spoke with no uncertain sound, and the recorded experiences in the States of Wisconsin and Ohio are eloquent illustrations of its evil tendencies, and the unjust burdens it imposes upon honest policyholders.

In connection with this subject, this question it seems to me might very appropriately be considered: Would not the desired end be greatly facilitated by the sacrifice, on the part of companies, of some of the volume of business to the character of the risk, and a more liberal and wiser expenditure in the matter of inspections?

As an initiatory step towards the correction of the evil under consideration, it has been suggested by many, and I think wisely, that thorough inquests and reports should be made of the origin, nature and results of all fires. As stated by the Hon. Insurance Commissioner of Massachusetts, "two useful objects might be secured thereby: (1) The discovery and punishment of crime; and, (2) Authentic information in regard to fires in aid of laws and expedients adapted to their prevention." This of course would require the action of our legislatures. The deliverances and action of this convention would greatly influence such action. A bill of this character was recently introduced into the English Parliament, applicable to all losses by fire in London in excess of \$2,500—with what results I am not informed. The importance of this subject is my excuse for treating it at such length.

Legislation upon this branch of insurance since we last met, embraces the enactment in the State of Kentucky of a law, similar to that in New York State, for the licensing of brokers and the placing of surplus lines in companies which have not complied with the laws of the State; the enactment of measures in the State of New York to secure a standard form of policy; and the reappearance in the legislatures of a number of States of bills for anti-compact laws and valued policy laws.

#### LIFE INSURANCE.

Upon this topic Mr. Swigert said:

In life insurance we find considerable improvement in the business of 1885, which we are told has continued into the present year. And it is gratifying to note the credit these great institutions are doing themselves in improving and liberalizing the contracts of insurance offered to the people. The life insurance policy of today, compared with that of twenty years ago, would show a marked improvement in the interest of the policyholder. The desirable result of a uniform standard of valuation of reserves by all the States has not yet been secured, but doubtless this convention has done all it is able to do in that direction. The condition of the companies continues satisfactory, and the close of the

year 1885 showed a gratifying improvement. I am aware of no measures of a new or radical nature enacted by the legislatures of the several States touching this business, and I have no questions pertaining to our duty as supervising officials to suggest. Such as demand our consideration will no doubt be presented by the members of the convention.

Assessment life insurance has closed another year of its history and another year of growth in this country. In the year 1885, sixty-six associations doing business in the State of Illinois collected \$6,184,825 from members, and \$297,258 from other sources, and paid to beneficiaries \$4,223,552, and for expenses \$1,645,577. In the case of New York \$16,630,851 was received by 138 associations, \$13,461,772 paid to beneficiaries, and \$2,337,588 paid for expenses. Business of this magnitude, if based upon sound principles, and intelligently and honestly conducted, possesses large powers for good—and under opposite conditions equal opportunities for evil. The present plan is far in advance of the original ideas upon which assessment insurance was based, and in the direction of the principles underlying old line life insurance. Passing over a discussion of the merits of the system which has been legalized by the statutes of most of the States, suffice it to say, that it is due to the members of these associations that the laws should be so amended and perfected, and so administered, as to secure to them the greatest amount of good in the system. The statutes of most of the States, relating to this business, are imperfect, indefinite and incomplete. The rapidity with which associations of this character spring up, and the almost equal rapidity with which they expire, show defects in the law or fallacies in the system. There is great need of amendments to the laws of most of the States, and the deliberation of this convention on that matter would tend greatly to secure uniformity in their requirements.

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A rebate of ten cents where automatic hatchway doors are introduced is allowed in Chicago.

### The Metropolitan Compact.

At a meeting of the New York fire underwriters on September 10, the report of the Committee of Fifteen on Form of Compact was received and adopted unanimously. It is believed that all the companies and agencies in the city will sign the compact.

The association is to be known as the Metropolitan Association of Fire Underwriters, with jurisdiction over New York, Brooklyn, Long Island City, Hoboken, Jersey City and Staten Island. All risks therein, except buildings occupied as stores, and dwellings and their contents, are to be rated on a schedule basis fixed by the association. We summarize the compact as follows:

Until otherwise ordered, dwellings and their contents, and buildings occupied as stores and dwellings, and their contents, shall be classified and rated as follows: Brick or stone dwellings, other than apartment houses, rated as such, 18c.; household furniture therein, 25c.; frame dwellings, or frame with brick front, 35c.; household furniture therein, 50c.; buildings of brick or stone, occupied as stores on first floor and dwellings above, 25c.; household furniture therein, 50c.; stocks and store furniture and fixtures therein, 50c.; buildings of frame, occupied as stores on first floor and dwellings above, 60c.; household furniture therein, 70c.; stocks and store furniture and fixtures therein, 90c. These are minimum rates. Two dollars premium is the minimum.

No risks of any kind or description other than dwellings and their contents, and buildings occupied as retail stores on first floor and dwellings above, shall be insured for more than one year, except pro rata of the annual rate. Dwellings and their contents may be insured for terms of three or five years at the following rates: For three years' term, two and one-half annual rate shall be charged. For five years' terms, four and one-half annual rates shall be charged. No policy shall be written for a longer term than five years. Contents of buildings occupied for retail stores and

dwellings shall not be insured for long terms except pro rata of the annual rate.

The manager is empowered to make a thorough investigation of any alleged violation of rules. The accused must deposit \$100, which he forfeits if found guilty. Clerical errors are deemed violations of the rules.

Existing contracts are not affected by the new rates, excepting for decrease of hazard.

Rebates to the assured are forbidden, but the mutuals are allowed to pay scrip dividends to their policy-holders.

Brokers must be enrolled, and their principal business must be the placing of insurance. The brokerage or commission is limited to 10 per cent. If he divides his commission with the assured, the penalty, on conviction, is non-recognition by the association.

Members may make re-insurance contracts with fellow members to carry risks outside of the district on such terms and conditions as may be mutually satisfactory, but members making re-insurance contracts with each other to cover on risks located in the district, shall not pay a commission exceeding 10 per cent., and in all cases risks shall be written at full tariff rates.

Any member of the association may employ solicitors exclusively for his own service, on salary, or on such basis of compensation as may be agreed upon.

Members may have, at their option, not exceeding five branch offices in the city of New York, three in Brooklyn and Long Island City, and one each in Hoboken and Jersey City and Staten Island. Such branch offices to be under the control of managers or officers, who shall be paid a fixed salary. Such managers of branch offices shall not be eligible to act as brokers, and shall not receive commissions from any member of the association.

The compact is for one year. If any member withdraws or refuses to comply with the rules and regulations, all the other members are immediately released from their obligations. Time will speedily show whether this clause is an element of weakness or strength.



## The State Insurance Co. of Salem.

THE CLAWS OF THE OREGON WILDCAT  
CLIPPED BY ITS CASHIER. HE SAYS THE  
PAID-UP CAPITAL IS ONLY \$7,500.

We have received from C. H. Cottle, the ex-cashier of the State Ins. Co. of Salem, Or., the following letter. We fancy, from the personalities in which the writer indulges, that there has been "a family falling out;" but we print the letter as we receive it, including the personal references to the poverty of Secretary Cottle, because they have an important bearing upon the question of the company's resources. The Secretary owns 190 shares in the company, representing \$19,000 on paper. His property consists of a village house and lot.

The original paid-up capital was only \$7,500, and the ex-cashier declares that not a dollar has since been paid. The reader may remember that in our June number, we printed the certificate of the County Clerk of Marion County, Or., to the effect that the company reported only \$10,000 taxable property, and its "assets" do not include government bonds, either. The company claims \$100,000 capital and about \$185,000 assets, but it has never explained the discrepancy between its advertised figures and the figures it gave to the county assessor.

Mr. Cottle's letter confirms everything the COAST REVIEW has urged against the State Insurance Co. It is managed by inexperienced men, its capital is merely nominal, its rates are high, its security is worthless. No system of compromise payments of losses or forced recommendations from claimants can preserve the company from failure; nothing but capital, a reorganization and a new management can do that.

Following is the letter of the late cashier of the State Ins. Co.:

EUGENE CITY, OR., Sept. 30, 1886.

EDITOR COAST REVIEW—I wish to state to you a few facts in regard to the State Insurance Company of Salem, Or., of which I have been cashier until now. I was one of the original stockholders, and one of the largest, and went into the office of the company when it was first organized.

The paid-up capital at that time was \$7,500, and it is all that has ever been paid up. Notes drawing interest were given for the balance of the first \$50,000, but no stockholder ever paid a cent of it. It was paid by a special dividend. The second issue of stock is without interest, and is of no account whatever, except to make a spread of capital to the world. There has been declared 35 per cent. in dividends upon \$50,000, making \$25,000 paid up only, and not \$50,000, as stated in the sworn reports of its officers.

The President gets about \$500 salary a year, and as his name is now printed on the policies, he has nothing to do except to draw his salary, which he regrets is not larger.

The Hon. Secretary and Manager eight years ago this last spring was managing a horse-power threshing machine in Minnesota. Four years ago he landed in Tacoma, with ten cents in his pocket, and was obliged to borrow \$10 of Mr. Howell before he could get his first meal.

Upon borrowed capital he organized the Washington Mutual Fire Insurance Company, which was afterwards changed to the Washington Fire Insurance Company. Although this company suspended, its stockholders could purchase the stockholders of the State Insurance Company, and not miss the money from their pockets, and I must say they were gentlemen and men of brains.

George Williams, of Williams & England, controls and owns one-fourth of the stock. He is also agent for the compact companies, and all rate-books and private matters relating to his agency are taken immediately to the Hon. Secretary and Manager of the State Insurance Company of Salem, Or., for his inspection, and have been ever since the company was organized.

Now, as to patronizing home institutions, which is its watchword, this company pays tax upon \$10,000. Let me ask how much more taxes the farmers of Oregon would have to pay, provided this company paid no taxes? Would it make up for the higher rate for insurance which they have to pay this company, except on barns? I think not.

I sold my stock in the company to George Williams and got \$4,000 for 70 original shares, and made him a present of the second issue of 70 more. This sum was \$250 more than he offered for it.

The Hon. Secretary owns—

Original shares.....	95
Second issue.....	95
Total.....	190

The total amount of property he has to back this stock up is a house and lot in North Salem, a suburb of Salem.

You may use this information in any manner you see fit.

I am yours, very respectfully,

C. H. COTTLE,  
Ex-Cashier State Ins. Co.

### A San Francisco Insurance Defaulter.

Local insurance circles were greatly startled last month by the announcement that M. A. Bates, cashier of W. J. Callingham's agency in this city, was a defaulter in the sum of many thousand dollars. Gossip, of course, exaggerated the figures, but it is now known that the sum for which Bates is in default exceeds \$10,000. It is confidently believed that restitution will be made of all or nearly all of the sum embezzled.

Cashier Bates is well known and well liked for his social qualities. His family connections are excellent. He had the implicit confidence of Mr. Callingham, and had seemingly earned it by his business qualifications and correct personal habits. The marine department of the agency was in his exclusive charge, and it was only from this department that the money was embezzled. He was the marine man of the agency, having previously been identified with the Merchants' Mutual Marine Insurance Company. His opportunities for successful defalcation were therefore greater than in themerely clerical capacity of cashier.

For some time the marine collections of the agency were notably in arrears. When Bates' attention was called to the matter he would offer some such explanation as "shipping is dull now," or "I thought it not well to be too pressing;" and then he would go out and "stir them up," he said, and return successful, presently. Finally the arrears became so great that exposure was unavoidable. He therefore made a clean confession. The supposed delinquent policyholders had paid him long ago, and he had appropriated the money to his own uses. He had concealed his crime and delayed exposure by systematically crediting the oldest bills receivable with a part, say 25 per cent. of the latest collections. This had been going on for about two years. His statements, since made, as to the real state of the accounts of his special department—the marine, where credit is always given—have been verified to the letter. The accounts of the fire department of the agency were found to be correct to a cent.

The defalcation was apparently one of those which no reasonable degree of care can prevent. The accounts were so adroitly "cooked" that any mere supervision of the books would not have revealed the defaults. Nothing but a well-grounded suspicion of embezzlement would have suggested, and perhaps justified, the employment of a sort of detective collector. Cashier Bates' personal habits, so far as known, did not justify such a suspicion; for he was not a gambler nor a speculator in stocks, and his salary was a very liberal one. So excellent was his general reputation that Mr. Callingham was frequently congratulated upon the possession of so trusty a man as Bates for cashier.

### Two Avoidable Losses.

Two recent fires, by which the insurance losses, if paid, will aggregate \$30,000, were not only incendiary, but the insured in both instances bear the reputation among underwriters of being undesirable. We refer to the recent losses at Jacksonville, Or., and Phoenix, A. T. These losses—or the expenses incidental to their investigation and possible litigation—were avoidable; for all the underwriters interested were either in the possession of information as to the character of both of the insured, or they knew that such information was accessible.

If these fraudulent losses are paid, any merchant who is inclined to commit arson may safely ignore every chance of detection. It is a comparatively easy matter to conceal all positive evidence of guilt, and the success of these claimants will prove that the ordinary circumstantial evidence of arson will not diminish the value of a claim against the companies. Nor (if the cases under consideration be accepted as examples) need any incendiary merchant withhold the torch from a fear that the companies will "boycott" him, for the reputation established by one claimant was bad, and by the other, very bad.

The ease with which these men obtained insurance is surprising, and can be attributed only to the carelessness of office employees, or to a chance-taking spirit developed in underwriting, but utterly inexcusable in

such cases. If these instances were isolated, we should not dwell upon them; but at different times we have discovered or received evidence of similar clerical carelessness or managerial indifference in the writing of morally bad or tabooed risks. It has been our interest to find the evidence of the neglect or rejection of a useful agency by which incendiary characters are shorn of much of their ability to defraud; and while the examples of their repeated success have not been numerous, they have occurred often enough to excite our amazement, and have cost insurance companies a good deal of money which could have been and ought to have been saved.

### A Grossly Extortionate Claim.

A tiny fire occurred in the basement (under the sidewalk) of a three-story brick building, occupied by a wholesale drug firm, in this city, at 5 P. M., on the 8th of last month. The fire lasted five minutes, and in twenty minutes the building was free from smoke. Captain White of the Fire Patrol reported the damages to be about \$100. The damages to the building were settled for \$30. The area of the fire was less than ten feet square, and there was scarcely a trace of fire or smoke damage to be seen after a whitewash-brush had been applied. The drug firm, J. J. Mack & Co., claimed a loss of \$22,500 as the result of this five minutes' fire! They deliberately placed their damages, by a fire which Gulliver might have extinguished after the primitive fashion, at 15 per cent. of their stock, valued at \$150,000.

It is due to Mack & Co. to say that in making their preposterous claim they alleged that their stock had been seriously damaged by acid fumes which ascended the elevator shaft; but their allegations, both as to loss and the acid cause of that loss, were not supported by the results of the investigation nor by the testimony of other druggists. Sponges are cleaned with acids, yet Mack & Co. claimed that their stock of sponges were damaged to the extent of 30 per cent. of their value by acid fumes. These destructive acid fumes, defying the law of gravitation, ascended the elevator

shaft and stairways, and, with extraordinary discrimination, discovered and damaged all the unsalable or comparatively unsalable goods, "ruining" the fancy soaps and leaving the extracts untouched.

The underwriters and the claimants disagreed, of course, and appraisers were appointed. At the outset, in the morning of the first day's appraisal, the work proceeded satisfactorily, but in the afternoon "the third man," who at first thought the damages would not exceed \$250, underwent a sudden change of mind, having discovered that the smoke of a five-minutes fire had inflicted thousands of dollars' damage. The "third man" and the claimants' appraiser speedily developed a remarkable unanimity of opinion. They both found, for example, that a package of soda had deteriorated 30 per cent. in value; but when the companies' appraiser called their attention to the fact that the soda had been purchased *since* the fire, they were obliged to admit that the soda had not been damaged. They found that the sponges had been damaged 30 per cent.; but when the companies' appraiser, a wholesale druggist, backed up his judgment with an offer to purchase all the sponges at first cost, with a nominal deduction for profit, his offer was refused.

When the appraisement was about one-third finished, the underwriters consulted together in an informal meeting, and the opinion was unanimously expressed that it would be unprofitable to write upon such a risk, in view of the extortionate claim of the insured. This resolution or opinion was communicated to Mack & Co. by some one. In great alarm they petitioned the companies not to "boycott" them, and offered to accept a compromise. They finally accepted the sum of \$5,030, that being the amount of damages assessed by the two appraisers upon about one-third of the stock.

It remains to be seen whether the underwriters will have the nerve to refuse to write upon this Mack risk hereafter, in accordance with the opinion so unanimously expressed at their late meeting. The claim was outrageously exorbitant; and as it is, the sum paid was greatly in excess of the



actual damages. If such claims are to be paid, and such claimants encouraged by the ready writing or uncancellation of their risks, premium rates must be greatly increased, for the present rates are not based upon such losses.

### The Great Desideratum.

We take the following from the greeting of the new President of the United States Life Ins. Co., George H. Burford, to the agents of the company. His remarks apply equally well to the agents of any insurance company:

"In assuming the duties of this responsible position, I am not unmindful of the fact that it depends very largely—I might say entirely—upon the hearty support and co-operation of the agents as to whether or not the future of the company shall be as prosperous as its past has been under the administration of my predecessor. I shall, therefore, look to you for aid and assistance in the way of building up the business of the company. Remember that, after all, the success of a company does not depend so much upon its assets, surplus, officers or directors, as upon the honest, efficient effort of its representatives in the field, and that in point of fact the loyal, faithful, energetic agent is the great desideratum. Our assets may be well invested, our surplus may be large in proportion to our liabilities, our officers may be honest and well informed upon all matters pertaining to their respective departments, our directors may be men of integrity and of high standing in the community in which they reside; but unless the agents will utilize all the advantages that the company possesses, and show unswerving devotion to its interests, working early and late, the sterling qualities of the company itself will count for nothing except in the integrity of its purpose and the respect that it is bound to command and win."

### FIRES.

The fires, as reported to the COAST REVIEW, were as follows for the first nine months of 1885 and 1886:

	1885.	1886.
January .....	\$155,218	\$106,924
February .....	131,626	93,789
March .....	159,551	120,161
April .....	136,542	382,879
May .....	192,321	239,703
June .....	228,681	527,621
July .....	242,331	378,337
August .....	194,202	808,899
September .....	214,616	196,760
Total .....	\$1,655,088	\$2,855,073

In the comparative statement of losses, similar to the above, which we printed last month, the July losses (\$378,337) were not included in the total. The figures were inserted after the other months' losses had been added, and the "total" was not corrected. The editor acknowledges with becoming humility that neither the proof-reader nor printer was to blame. But, after all, the total as given was large enough, being a gain of 56.8 per cent. over the losses reported for the same period in 1885. The exact percentage of increase (84.5) would better please those who delight in the disastrous, however.

The losses for the first nine months of the year, as reported to this journal, were \$2,855,073, a gain of \$1,199,985 over the same time last year. This is an increase of 72.7 per cent.

August 5, La Grande, Or., general fire:  
Commercial Union.....\$4,600  
Commercial, San Francisco ..... 1,042

September 7, Dalles, Or., dwelling and furniture:  
Home & Phoenix.....\$720  
Phoenix, Brooklyn..... 418

September 3, Albany, Or., barn:  
North British & Mercantile.....\$212

September 20, Salem, Or., dwelling:  
Phoenix, Brooklyn.....\$990  
September 29, Salt Lake, Utah, building and merchandise:  
Union, Philadelphia.....\$1,400  
Concordia..... 700

August 1, Helena, M. T., flour mill:  
Commercial, San Francisco.....\$846

August 6, Phoenix, A. T., general fire:  
Commercial Union.....\$3,000

September 8, Pierce county, W. T., hops:  
Anglo-Nevada.....\$150

September 8, Corvallis, W. T., clothing and cigars:  
New Zealand.....\$108  
Oakland Home..... 216  
Connecticut..... 500

September 11, Black Diamond, W. T., frame boarding house:  
Teutonia.....\$1,150  
Firemen's, Newark..... 1,150

September —, Garfield county, W. T., flour mill:  
New Zealand.....\$1,029

September 20, White River, W. T., hop house:

Manchester.....	\$300
Caledonian.....	300

September 27, Portland, Or., wood and willow ware factory, etc.:

Union, S. F.....	\$1,000
Imperial.....	1,000
Home & Phoenix.....	900
Hamburg-Bremen.....	412
Phoenix, London.....	2,300
Western, Toronto.....	1,450
Lion.....	140
Washington & Orient.....	140
State Investment.....	250
Connecticut.....	2,000
Fire Insurance Association, London.....	3,500
Scottish Union & National.....	500
National, Hartford.....	500
Firemans Fund.....	1,000
Oakland Home.....	300
Traders.....	150

Total.....\$15,542

September 2, Cheney, W. T., frame dwelling:

Firemans Fund.....	\$2,500
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September 4, Portland, Or., steam launch:  
London & Lancashire.....\$104

August 10, Livingston, M. T., frame building:

Commercial, San Francisco.....	\$777
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September 29, Salt Lake City, Utah, general fire:

Prussian National.....	\$1,000
Hartford.....	1,000
American, Philadelphia.....	600
Hamburg-Bremen.....	1,000

September 20, Walla Walla, W. T., barn:  
Hartford.....\$1,500

September 21, Walla Walla, W. T., dwelling and furniture:

American, Philadelphia.....	\$600
Phoenix, Brooklyn.....	1,300

August 12, Seabeck, W. T., saw mill:  
Guardian.....\$1,500

September 30, Portland, Or., brick building:

Scottish Union & National.....	\$250
National, Hartford.....	150

September 10, Hot Springs, Utah, frame buildings:

South British & National.....	\$2,000
Caledonian.....	1,200

September 17, Montesano, W. T., church:  
Home & Phoenix.....\$500

September 1, Walla Walla county, W. T., barn:

Phoenix, Brooklyn.....	\$1,407
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September 21, Silver Bow county, W. T., cordwood:

South British & National.....	\$250
City of London.....	250
Phoenix, London.....	1,000
Washington.....	500
Lion.....	500
Firemans Fund.....	1,000

September 2, Missoula, M. T., brick building:

Five Companies.....	\$250
Connecticut.....	500
Security.....	500

September 7, Renton, W. T., barn:  
Orient.....\$310

September 8, San Jose, Cal., brick and frame building and furniture stock:

Helvetia.....	\$1,100
London & Provincial.....	1,100
Washington.....	1,130
Southern California.....	250
North British & Mercantile.....	1,129
New York Underwriters.....	175
Anglo-Nevada.....	135
California.....	414
Commercial Union.....	230
Commercial, San Francisco.....	251
Firemans Fund.....	253

Total.....\$6,167

September —, Red Bluff, Cal., barn:  
Union, San Francisco.....\$330

September 23, Colusa, Cal., general fire:

Fire Ins. Association, London.....	\$116
Amazon.....	700
Pacific.....	800
Lion.....	458
Westchester.....	1,000
Orient.....	812
Western, Toronto.....	1,400
Commercial Union.....	1,070
Ætna.....	929
British America.....	2,000
Anglo-Nevada.....	600
Hartford.....	300
Ins. Co. of North America.....	630
Home & Phoenix.....	650
Firemans Fund.....	800
Oakland Home.....	750
London, Northern & Queen.....	500

Total.....\$13,515

September 30, Hanford, Cal., building and furniture:

City of London.....	\$100
South British & National.....	100
Anglo-Nevada.....	300

September 19, Petaluma, Cal., dwellings:  
State Investment.....\$1,500

September 10, Santa Rosa, Cal., storage  
barn:  
National, Ireland.....\$500

September 12, Oakland, Cal., dwelling:  
National, Ireland.....\$500

September 10, San Rafael, Cal., frame  
dwelling:  
Agricultural.....\$1737

September 25, Stockton, Cal., furniture:  
Glens Falls.....\$490

August 28, Vallejo, Cal., furniture:  
Southern California.....\$113

September 27, Black's Station, Cal., barn:  
German-American.....\$200

September 17, San Joaquin county, Cal.,  
piano and wearing apparel:  
North German.....\$328

September 27, Woodland, Cal., shop and  
dwelling:  
Home Mutual.....\$160  
Sun, S. F.....150

September 23, Oakland, Cal., dwelling:  
Home Mutual.....\$335

September 5, Oakland, Cal., frame dwell-  
ing and furniture:  
Liverpool & London & Globe.....\$600  
Oakland Home.....225

September 17, near Stockton, Cal., fur-  
niture:  
Westchester.....\$378

September 8, Santa Cruz county, Cal.,  
wood and lumber:  
Washington.....\$220  
Orient.....220  
Lion.....220

September 26, Alameda county, Cal., hay  
press:  
Southern California.....\$100

September 20, Modesto, Cal., dwelling:  
German-American.....\$342

September 28, Sacramento county, Cal.,  
barn:  
Home Mutual.....\$800  
Oakland Home.....400

September 4, Moore's Station, Cal., barn:  
German-American.....\$290

September 3, Menlo Park, Cal., dwelling:  
Ætna.....\$2,225

September 17, Snelling, Cal., dwelling:  
British America.....\$330

September 20, Lathrop, Cal, general fire:  
Washington.....\$400  
Southern California.....111  
Western, Toronto.....500  
British America.....500  
North German.....328  
Svea.....637  
National, Hartford.....637  
Scottish Union.....1,537  
Manchester.....321  
Caledonian.....321  
Oakland Home.....1,579  
Traders.....554  
London & Lancashire.....357  
Total.....\$7,782

September 9, Santa Cruz county, Cal.,  
lumber;  
Home Mutual.....\$439  
Guardian.....400

September 21, San Jose, Cal., furniture  
and building:  
Home Mutual.....\$1,700

September 1, Tulare, Cal., hay and grain  
in field:  
Anglo-Nevada.....\$209  
Ætna.....209  
Hartford.....209  
Balfour, Guthrie's Agency.....209

September 3, Tulare, county, Cal., grain  
in field:  
Four companies.....\$420

September 6, Merced county, Cal., grain  
in field:  
Ætna.....\$687

September 10, Forest Hill, Cal., dwelling:  
Home & Phoenix.....\$400

September 23, Oakland, Cal., dwelling:  
Home Mutual.....\$335

September 5, Fresno county, Cal., grain  
in stack:  
American Central.....\$266  
State Investment.....266

September 22, Alameda county, Cal., fur-  
niture:  
City of London.....\$500

August 31, Sacramento, Cal., frame build-  
ing:  
Commercial Union.....\$1,200

September 20, Sacramento county, Cal.,  
hops and kiln:  
City of London.....\$1,000  
Guardian.....1,300  
Providence-Washington.....407  
Firemans Fund.....815  
National, New York.....815



September 10, Sonoma county, Cal., barn:  
Home Mutual.....\$600

September 8, Fresno, Cal., barn:  
Guardian.....\$100

September 10, Nevada City, Cal., hotel  
and frame building and merchandise:  
Guardian.....\$1,356  
State Investment..... 1,962  
Fire Association, Philadelphia..... 956  
Phenix, Brooklyn..... 1,000  
American, Phila..... 1,000  
Fire Ins. Association, London..... 300  
Svea..... 400

Total.....\$6,974

September 19, Santa Rosa, Cal., building  
and machinery:  
Commercial Union.....\$3,400

September 10, San Rafael, Cal., merchan-  
dise:  
Home & Phenix.....\$119

September 6, Berkeley, Cal., dwelling  
and contents:  
Home Mutual.....\$1,450

September 17, Wheatland, Cal., hop kiln:  
Home & Phenix.....\$2,000

September 9, Alameda county, Cal., barn:  
Home Mutual.....\$400

September 28, San Bernardino, Cal., frame  
barn:  
Liverpool & London & Globe.....\$160

September 20, Stockton, Cal., frame  
building:  
Commercial Union.....\$1,900

September 5, Oakland, Cal., frame dwell-  
ing:  
Liverpool & London & Globe.....\$600

September 23, Butte county, Cal., board-  
ing house:  
Phenix, Brooklyn.....\$500

September 9, Sacramento, Cal., frame  
bakery:  
Liverpool & London & Globe.....\$650

September 22, Tulare county, Cal., dwell-  
ing:  
Phenix, Brooklyn.....\$600

September —, San Bernardino, Cal., frame  
dwelling:  
Liverpool & London & Globe.....\$900

September 1, Oakland, Cal., pianos:  
American, Philadelphia.....\$187

September 25, Stockton, Cal., bakery:  
London, Northern & Queen.....\$100

September 4, Live Oak Station, Cal.,  
building and machinery:  
State Investment.....\$1,000

September 2, Sacramento, Cal., building  
and barn:  
California.....\$749

September 20, Woodland, Cal., stock and  
tools and frame building:  
State Investment.....\$310  
California..... 700

September 21, Lancaster, Cal., frame  
store building:  
Liverpool & London & Globe.....\$1,555  
Phenix, Brooklyn..... 400

September 23, Lancaster, Cal., hotel;  
Oakland Home.....\$1,250

September —, San Jose, Cal., frame sa-  
loon:  
Liverpool & London & Globe.....\$500

September 7, Stanislaus county, Cal.,  
machinery:  
Phenix, Brooklyn.....\$1,075

September 14, Stanislaus county, Cal.,  
dwelling:  
State Investment.....\$720

September 9, St. Lawrence, Cal., mer-  
chandise:  
Phenix, Brooklyn.....\$994  
Pennsylvania, Phila..... 497  
American, Phila..... 500

September 29, Stockton, Cal., dwelling  
and barn:  
Royal, Norwich Union & Lancashire.....\$800

September 25, Roseville, Cal., hotel:  
Home & Phenix.....\$3,000

September 18, Los Angeles, Cal., dwell-  
ing:  
Svea.....\$650

September 29, Roseville, Cal., dwelling,  
barn and wind mill:  
Home & Phenix.....\$700  
Oakland Home..... 300

September 22, San Bernardino, Cal.,  
dwelling:  
Royal, Norwich Union & Lancashire.....\$1,100

September 8, San Bernardino, dwelling:  
German-American.....\$2,500

September 9, Eureka, Cal., frame build-  
ing:  
Commercial Union.....\$1,500

September 8, Oakland, Cal., dwelling:  
Hamburg-Magdeburg.....\$150

September 14, Cucamingo, Cal., frame dwelling:

Liverpool & London & Globe.....\$2,588

September 24, Fruitvale, Cal., furniture, etc.:

State Investment.....\$500

September 10, Oakland, Cal., household furniture:

Commercial Union.....\$140

September 2, Calaveras county, Cal., dwelling:

Sun, S. F.....\$300

September 14, Calaveras county, Cal., frame dwelling and furniture:

Liverpool & London & Globe.....\$700

September 15, San Bernardino, Cal., dwelling:

Commercial Union.....\$2,500

September 10, Nevada county, Cal., dwellings:

Hamburg-Magdeburg.....\$210

Firemans, Newark..... 600

September 13, Los Angeles, Cal., laundry:

Germania.....\$750

City of London..... 350

Westchester..... 750

South British & National..... 705

Firemans Fund..... 500

September 21, Lancaster, Cal., general merchandise:

Germania.....\$1,210

September 17, Yuba county, Cal., barn:

Phenix, Brooklyn.....\$492

September 27, Tehama county, Cal., hay:

Pennsylvania, Phila.....\$480

September 2, Napa county, Cal., dwelling and barn:

Fire Ins. Ass'n, London.....\$350

Continental..... 384

July 5, Guerneville, Cal., merchandise:

Commercial, San Francisco.....\$1,484

September 8, near Colton, Cal., dwelling:

Firemans Fund.....\$200

September 28, Travers, Cal., harvester:

Oakland Home.....\$1,000

September 13, Riverside, Cal., frame dwelling:

Scottish Union.....\$1,800

September 8, Fresno county, Cal., barn:

Firemans Fund.....\$460

September 25, Stockton, Cal., frame stable:

Manchester.....\$200

September 9, near San Bernardino, Cal., frame building:

Firemans Fund.....\$321

September 2, Sacramento, Cal., smoke house, meats, etc.:

London & Lancashire.....\$140

September 21, near Nord, Cal., hay in stack:

Firemans Fund.....\$568

Providence-Washington..... 252

September 7, Cloverdale, Cal., hop kiln:

American, New Jersey.....\$381

September 14, Santa Barbara county, Cal., grain in field:

Manchester.....\$263

September 4, Sacramento county, Cal., hay:

State Investment.....\$250

September 16, Grass Valley, Cal., dwelling:

Connecticut.....\$350

September 24, Fresno county, Cal., dwelling and stable:

London, Northern & Queen.....\$610

September 30, Los Angeles, Cal., carpenter shop:

Connecticut.....\$900

September 10, Oakland, Cal., dwelling:

California.....\$125

September 22, Oakland, Cal., frame building:

State Investment.....\$900

September 10, Sacramento, Cal., dwelling, etc.:

State Investment.....\$1,500

September 20, South San Francisco, match factory:

Svea.....\$400

Transatlantic..... 649

September 18, San Francisco, dwellings:

State Investment.....\$650

September 26, San Francisco, wall paper stock, paints, oils, etc.:

Lion.....\$1,122

State Investment..... 748

Washington..... 748

Imperial.....1,122

London & Lancashire.....1,496

Liverpool & London & Globe.....3,118

German-America..... 500

Hartford..... 500

Anglo-Nevada.....1,496

Sun, San Francisco..... 742

Total.....\$11,592

September 26, San Francisco, tailor's stock:

Orient.....\$600

September 12, San Francisco, contents of lodging house:

Southern California.....\$121

September 26, San Francisco, theatre building:

Six companies.....\$565

September 4, San Francisco, brick building:

Royal, Norwich Union & Lancashire.....\$225

September 26, San Francisco, brick building:

Fire Association of Philadelphia.....\$141

Scottish Union.....750

September 8, San Francisco, wholesale drug stock:

Hamburg-Magdeburg.....\$446

Western of Toronto.....224

Firemans Fund.....224

National of Ireland.....224

Fire Ins. Association of London.....224

Liverpool & London & Globe.....224

Scottish Union & National.....224

Lion.....224

Helvetia Swiss.....224

American of Philadelphia.....224

North German.....224

Union of San Francisco.....224

London & Provincial.....224

Hartford.....224

Commercial Union.....224

Atlas.....224

Germania.....112

Anglo-Nevada.....112

Ins. Co. of North America.....112

Pennsylvania Fire, Philadelphia.....112

Manchester.....112

German of Illinois.....112

Helvetia Swiss.....112

Boston Underwriters.....112

North British & Mercantile.....112

Union of New Zealand.....112

German American.....112

Total.....\$5,030

Grand Total.....\$196,760

### CHIPS.

—The fire insurance losses in San Francisco for the twelve months ending June 30 are placed at \$1,298,286 by Fire Marshal Durkee. For the previous twelve months the losses were \$437,750, or about one-third as great.

—The New York & London Fire Insurance Company is the name of a projected New York enterprise. One-half of the \$1,000,000 capital is to be raised in New York and the other half in London.

—Owing to an increase in business and a corresponding demand for further office room, Manager Landers, of the Guardian Assurance Company, has added the office formerly occupied by Oliver Hawes. The new office of the Guardian is now one of the largest in the city, and it has been handsomely fitted up.

—The Board of Fire Underwriters has notified John L. Durkee that his services as Fire Marshal will not be required after the 15th inst., assigning as a reason that it is necessary to reduce the salary of the office. Durkee has held the position for twenty-two years. Charles Towe, foreman of Hose Company 1, who has been connected with the Fire Department for twelve years, will be Durkee's successor. The Marshal's office will probably be at Patrol headquarters hereafter.

—Messrs. Gutte & Frank have been appointed general agents for the Magdeburg Fire Insurance Co., an old and leading German corporation. The Magdeburg Fire, which was organized in 1845, has a subscribed capital of \$3,750,000, and a cash capital of \$750,000. Under a law of Germany, the stockholders give their personal notes for the unpaid stock, subject to call. The total assets of the Magdeburg Fire are \$6,128,067. Its premium income last year, \$4,443,494, was exceeded by only a few companies anywhere. The losses paid since organization, forty years ago, have aggregated \$64,268,960. The premium income in this time has been \$92,564,790, a sum which indicates the immense business transacted and the sterling reputation of the company at home. Gutte & Frank now represent six excellent companies—three fire and three marine, namely: the Magdeburg and the Hamburg-Magdeburg, of Germany; the Germania, of New York; the Magdeburg-General, of Germany; the National Marine, of London, and the Merchants' Mutual Marine, of Baltimore.



—The capital stock of the Anglo-Nevada Assurance Corporation remaining unpaid (50 per cent.) is payable on the 15th of October. The call was levied last month.

—The *Chronicle* of New York estimates the fire loss in the United States for the first six months of this year at \$51,936,492, or over \$4,000,000 less than for the corresponding time in 1885.

—The Home Fire Insurance Company of Utah is the title of a new company recently organized in Salt Lake City. The subscribed capital is \$200,000, of which one-half has already been paid in. The officers are: President, Heber J. Grant; Vice-President, James Sharp; Secretary and Treasurer, Elias A. Smith. Mr. Grant, the President, is well known to many San Francisco underwriters. We presume that it is the design of the managers to extend their business over the adjoining States and Territories, eventually.

—We print, this month, Commissioner Wadsworth's letter to Attorney-General Marshall relative to the resolution of Messrs. Hutchinson & Mann to continue writing risks for the Sun Fire Office in California. The Commissioner's letter was written on August 23d, but on October 1st, when the form containing a copy of his letter was printed, no reply had been received from the Attorney-General. On the evening of that day, or the morning thereafter, a month and ten days after the Commissioner communicated the facts to the Attorney-General, as the law requires, a reply was received. Mr. Marshall approved the Commissioner's "course in directing the Sun Fire Office to cease doing business in this State." "It was beyond question the proper course," says the Attorney-General, and "your appeal to this office to institute proceedings to stop the company from transacting business is also clearly your duty." Mr. Marshall closes his communication as follows: "I shall carefully consider the situation, but at present I am inclined to leave the Sun Company to be dealt with by the legislature and my successor in office." The reader can draw his own conclusions.

—Tom C. Grant is visiting the Eastern States.

—President Bromwell, of the California, accompanied by Mrs. Bromwell, is in Cincinnati.

—The National Fire and Marine Insurance Company of New Zealand caused the arrest of the master of a vessel at Sydney, charged with collecting a fraudulent claim. His vessel encountered rough weather, which broke the mainmast, but did no serious damage. The master concealed the sails in the hold, smashed the bottom of one of the boats, and threw the spars overboard, saying that he must manage to get the damage up to \$1,000. He subsequently collected \$350 from the company, for which he was recently sentenced to one year's imprisonment.

—The California Life and Accident Association must be in a very bad "row of stumps," indeed, as they say in Indiana. George Quinon, of San Bernardino, Cal., has sued the association, through his attorneys, Hargrave & Gray, for the recovery of \$30, paid on the 17th of last May for a \$5,000 certificate which he never received. Not only was Quinon's application refused, but his \$30 advance payment was not returned, although frequently demanded. How is this, Mr. Pettis?

—We have evidence of the continued hostility of legislatures in the absurd measures they attempt at each session to pass to the damage of the companies. The courts hesitate to pronounce the unavoidable law when it favors insurance companies, and we ourselves have almost resolved never to submit even strongest matters of fact to a jury. *We have no friends — we must take care of ourselves.*—Mims.

—At the annual meeting of the Union Fire and Marine Ins. Co. of New Zealand, held at Christchurch, July 7, the chairman said: "In America the expense of conducting business is very considerable; but I may mention in this connection that our American business, notwithstanding the higher percentage of charges, has always left us a profit." The usual 10 per cent. dividend was paid.

—The Atlas Fire Ins. Co. of London has begun business in Canada.

—Messrs. Conrad & Maxwell have been appointed city agents for the Imperial Fire Insurance Company of London.

—A new company has been organized at Portland, Or., called the Northwest Fire and Marine Insurance Company. The capital stock is \$200,000. The officers are: T. A. Wood, President; F. E. Beach, Vice-President; J. K. Elderkin, Secretary.

—Harold Engelbach, Secretary of the National Assurance Company of Ireland, visited this city last month, and sailed for Honolulu on the 30th. Mr. Engelbach will visit Japan, China and India, and return home via the Suez Canal route, thus making the circuit of the world.

—George H. Allen, the Assistant Secretary of the Howard Ins. Co. of New York, during his visit to this city last month, transferred the agency of his company from Oliver Hawes to Jacobs & Easton. Mr. Hawes has, we understand, temporarily retired from the insurance business.

—We judge that the British life officers are uneasy over the prospect of an invasion by American co-operatives. They need have no apprehension. The rivalry of the American co-operatives will stimulate business, and the failure of the American co-operatives will strengthen the old-line companies in public esteem. But the advent of more than one hat-passer is desirable, for where one, having a large field, may have an exasperating temporary success, a dozen or more will cut each other's throat, or die of rotteness, and leave an unfragrant odor in either event.

—The formation of a new fire insurance company in New York is announced as being under way. It is to be called the Irish-American, and will have \$1,000,000 capital and a subscribed surplus of \$250,000. Subscriptions to capital and surplus have been apportioned to every State, the design of the projectors being to extend the business of the company immediately through that plan. Specialties will be made of Irish and church risks. We think the scheme will fail.

—The *Insurance Broker* of New York has suspended for the want of support.

—F. V. Andrews, a well-known Portland insurance agent, visited San Francisco last month.

—Manager Stilman is looking over Pacific Insurance Union matters in Oregon and Washington Territory.

—The Imperial & Colonial Marine Insurance Co. is being organized in London. The cash capital is \$500,000.

—The organization of the Northwestern Reinsurance Company of Chicago, with \$200,000 capital, is on the tapis.

—The *Insurance Times* puffs the Pelican, but prudently omits any reference to the "assets" of that New Orleans wildcat.

—W. Devenish Meares, manager of the Union Fire & Marine Insurance Company of Christchurch, New Zealand, is in the city, and will visit the important Coast cities.

—George Ashton, formerly a special for the Connecticut Insurance Co., has been engaged in a similar capacity by the Union Insurance Co. of this city.

—Young Webber, who was convicted of setting fire to Folsom, in this State, on August 13, has been sentenced to five years' imprisonment in the penitentiary. That was a light sentence, for the young criminal not only designed to bankrupt the community, but he placed human lives in jeopardy.

—The *Overland Monthly* for October contains an interesting article on "The Writings of Laura Bridgman," the remarkable deaf and blind and dumb pupil. Irving M. Scott furnishes a paper entitled "Protection to American Labor." Besides "Tourgenieffs' Letters," there are several interesting stories.

—A press dispatch from Centerville, Cal., dated October 5, says: Another dastardly attempt at incendiarism was made near here this morning at 3 o'clock. The carriage house of Antone Silva was fired, but by the prompt action of neighbors the fire was extinguished. This is the fourth incendiary fire during the last few weeks.

—At a meeting of the directors of the Southern California Insurance Company of Los Angeles, held last month, the resignation of President H. C. Sigler was accepted. Hon. E. F. Spence, Mayor of Los Angeles, was elected to fill the vacancy. J. R. Toberman was elected Vice-President, the position formerly held by Mr. Spence. The change was warranted by the special unfitness of Mr. Sigler, but it has taken the directors eighteen months to discover what the COAST REVIEW, in a friendly way, announced on the formation of the company. Of Mr. Sigler's business ability there is probably no question, but his inauguration of the company's business at once disclosed his peculiar unfitness for the position. Mr. Spence, the new President, is one of the leading business men of Southern California, and is the President of one of the principal banks of Los Angeles.

—We print in this month's digest of recent insurance decisions an abstract of the case of the California State Bank *v.* the Hamburg-Bremen Insurance Company, which was tried by the Supreme Court last month. The defendant had no notice of the sale of the property insured, although the purchaser visited the local agent of the company and made inquiry as to the insurance. Judge McFarland, of Sacramento, who first tried the case, instructed the jury to find for the plaintiff, if in their opinion the inquiry made of the agent by the purchaser was a notice of the sale, or such a notice as should have put the agent on inquiry. The judge who delivered these queer instructions to the jury is now a candidate for the Supreme Court. According to the learned judge, whenever an agent is asked whether a certain piece of property is insured in his company, if it is so insured, he should inquire whether the property has been sold. If sold, he should hunt up the purchaser, and, hat in hand, tender him the policy duly transferred from seller to buyer. The Supreme Court thought differently, and ruled that the policy terminated according to the contract, when the property was sold; the lien of the vendor could not keep the policy alive for the benefit of the plaintiff.

—C. F. Mullins, of the Commercial Union, is visiting his agencies in British Columbia.

—John Landers, manager of the Manhattan Life Ins. Co. for this Coast, has been visiting Oregon and Washington.

—The fire loss in Paris last year is estimated at \$1,050,000. San Francisco is trying to beat that record this year, with insurance losses alone.

—The China Traders' Insurance Company of Hong Kong has declared a dividend for the year ending the 30th of April last of 20 per cent. on the paid-up capital, and a bonus of 20 per cent. on the business contributed.

—In the case of *Locey v. the American Central, Pacific and Hartford fire insurance companies*, the Supreme Court of California decided, on September 16, that the Court below was justified in granting the nonsuits. The evidence failed to show a waiver by the defendants of notice of other insurance, and failed to show any act by which the defendants would be estopped from asserting want of such notice. A new trial was therefore refused.

—Judge Stearns, of Portland, has granted an order, at the instance of the Bull Run Water and Power Company, restraining the Portland water committee from issuing bonds for raising money for the purpose of supplying the city with water from Bull Run River. The case will be tried by the Supreme Court next month, and it is believed that the water committee will go on with their operations, the decree notwithstanding.

—A vote of the most valuable agents the companies have to-day, would result in an overwhelming majority in favor of the payment of a moderate commission, rather than meet the competition from the class of agents mentioned whom a high commission calls into the field, who often have neither fitness for their work, nor honesty of purpose. The result of an excessive commission is to lower the trade of agents as a whole, and a consequent loss of that most valuable quality, their responsibility to their companies.—*Lyman*.



—James E. Mills of Sacramento, and H. T. Ceperley, of Vancouver, B. C., were in the city last month.

—Messrs. Boyd & Arnold, of Portland, Or., have been appointed by Manager John Landers general agents for Oregon of the Manhattan Life Ins. Co. These gentlemen are also general agents for the Hamburg-Bremen Fire Ins. Co.

—C. A. Dunlap, of Oakland, has been appointed agent of the Mutual Life Ins. Co. for Alameda county, *vice* J. L. Fogg, who is now Superintendent of Agencies for the Connecticut Mutual Life Ins. Co. in this field.

—F. R. Noyes has been appointed agent for the city of San Francisco for the Connecticut Mutual Life Ins. Co. Mr. Noyes is an active worker and is personally popular, and already his work gives promise of a marked increase of the city business of the Connecticut Mutual.

—The statement printed in the *Investigator* of Chicago, and re-printed in other Eastern exchanges, to the effect that the National of Ireland is doing an underground business in the East is untrue. The company has never written a policy of insurance on property in any State in the Union without first complying with the laws governing insurance corporations.

—G. W. Pierce, for some years Deputy Insurance Commissioner of Colorado, and Benjamin Warwick, at one time engaged in the insurance business in this city and later with J. A. Brumsey in Virginia City, have established an insurance agency in San Diego, under the firm name of Pierce & Warwick. They represent the Balfour, Guthrie & Co.'s agency and the Guardian Assurance Co.

—Our attention has been called to two recent fires caused by the use of gasoline by plumbers. The gasoline is used to heat the "pots" employed in making repairs or piping houses. Both buildings were nearly completed, and the fires were caused by the explosion of the gasoline used by the plumbers. It would be well for underwriters to take immediate and decisive action of some kind.

—Thomas J. Higgins, of San Diego, has retired from the insurance business for the present.

—H. B. Sears, Jr., has been appointed agent at Oakland for the Connecticut Mutual Life Ins. Co.

—The Union Central Life Ins. Co. of Cincinnati has re-established a department in California, with Col. David R. Hunt as manager.

—That was a laughable mistake of a contemporary which printed the heading "Fire-Proof Pants" over an article on fire-proof paints.

—The Equitable Life Assurance Society, with commendable liberality, promptly extended the time on premium payments in the Charleston earthquake district.

—Bartholomew, the defaulting President of the Charter Oak Life, is 70 years old. He is a total abstainer from intoxicants, and never smokes. But the Canadian climate now has charms for the old man; and he has turned his back upon his favorite Hartford church and numerous creditors, who mourn his untimely departure.

—One result of the defalcations of George Bartholomew, the Hartford capitalist, is the appointment of two receivers for the decrepit Charter Oak Life Insurance Co. Bartholomew's defalcations have been discovered to exceed \$1,000,000, and it may yet be developed that the amount is fully \$2,000,000. The Charter Oak Life was a sufferer to the amount of \$127,000, and perhaps more. The assets of the company on January 1st were \$3,805,293, with a deficit on policyholders' account of \$652,834. The Commissioner's petition for a receiver at that time was withdrawn with the consent of the court, in view of the proposed disposal of some of the company's real estate to policyholders at an advanced figure. The new receivers are Isaac Brooks and Edmund A. Stedman. The Charter Oak has done no new business for many years, and its final descent into receiver's hands was only a question of time. The defaulting Bartholomew was its President, and the directors left the management to him.

—The Canadian agents of the New York Life Ins. Co. held a two-days' convention at Montreal recently.

—The chairman of the Scottish Union & National Insurance Company of Edinburgh, in his recent annual report, said: "In accordance with the intentions indicated in last year's report, the general manager has visited the company's American branch, and many of the principal agencies in the United States and Canada. The report which, on his return, he made to the directors presented a favorable view of the care and ability with which the company's interests are attended to in that country, and a hopeful prospect of the growth and profitableness of the business."

—The Alliance Life and Accident Association of Chicago is now flooding California with circulars in which every applicant is offered \$4 of the required \$5 membership fee, thus "insuring" him sixty days for one dollar. This Chicago fraud was exposed in the September COAST REVIEW (p. 653). The Illinois authorities have begun proceedings to close the concern. The Illinois Auditor, Charles P. Swigert, refused to approve its incorporation papers, because the active promoters of the association were unworthy of confidence and unfit to be entrusted with the handling of its funds. The Alliance is still unincorporated.

—The COAST REVIEW fire loss reports are reasonably accurate. In our January issue, taking the aggregate figures as a basis, and assuming the premium income to be the same as for the previous year, we made the following estimates of loss ratios: San Francisco, 41 per cent. (actual, 41.4); California, 46 per cent. (actual, 44.7); Pacific Coast, 41 per cent. (actual, 43). The premium income was somewhat larger, and the estimates, if based on the true income, would have been even nearer the actual loss percentages. These figures demonstrate the reliability of the COAST REVIEW loss reports, and the good faith of the offices making them. Doubtless there is an occasional omission, through carelessness, or delay in making adjustments; but in the aggregate, all omissions and over or under estimates are merely nominal.

—A Roman candle destroyed \$40,000 worth of property in Ohio on the Fourth of July. The wonder is how the Romans ever used to get along with this system of lighting and such a poor fire department as they had.—*Burlington Free Press*.

—The seventeenth annual meeting of the Fire Underwriters' Association of the Northwest was held in Chicago on the 8th and 9th ult. About 115 members were present. The annual address was delivered by the President, W. F. Fox, and numerous interesting papers were subsequently read. We print extracts therefrom elsewhere. Abram Williams was elected President, Geo. W. Adams Vice President, and J. G. Griffiths was re-elected Secretary.

—The ghost of the Anglo-American is soliciting business at Sydney, New South Wales, where it is represented by Ernest W. Moon, manager. The company advertises £137,510 assets, and publishes a statement "sworn to by the President of the company before the Commissioner, as required by the law of the United States regulating insurances." None of the company's statements was even sworn to by anybody before any Commissioner, there is no law of the United States "regulating insurances," and the Anglo-American is dead.

—In reply to an inquiry "whether risks of inland navigation are held to include marine risks pure and simple, on vessels plying in the navigable waters of the United States," Superintendent Maxwell of New York says: The "risks of inland navigation," as the phrase is used in our insurance statutes, is held to include insurance on "vessels, boats, cargoes, goods, merchandise, freights and other property" against the risks of navigation on the "navigable waters of the United States," understanding by these last words "inland waters of the United States," or, in other words, waters over which the territorial dominion and jurisdiction of one or more of the States, or of the United States extend. As regards the navigation of the Sound it must be held to be "inland navigation" within the meaning of the term as used in the insurance statutes.

—A fortune awaits the man who will invent a lamp that will not upset.

—Boston premium receipts for the first six months of 1886 show a slight falling off, compared with the same time last year.

—Immediately on the receipt of definite information regarding the earthquake devastation in Charleston, S. C., Vice-President Robert A. Granniss of the Mutual Life Insurance Company of New York, telegraphed Messrs. W. S. Hastie & Son, the company's agents in the unfortunate city, as follows: "Allow policy-holders in your agency who have suffered by earthquake, sixty days' extension in payment of premiums. Earthquake death claims will be paid on receipt at this office."

—A contemporary insists that railroad companies should be compelled to equip their locomotives with spark-arresters. It is tramp-arresters that is needed in California. We have always inferred that spark-arresters were not trustworthy, as so few railroad companies have adopted them. If the invention is a good one, let laws be passed requiring their use on all locomotives. Such laws will not be needed if the railroad companies, and not the insurance companies, are made to pay the damages.

—It is announced that the fire insurance companies will pay losses by fire caused by the Charleston earthquake, although, according to the *Spectator*, "technical objections can be raised." If the technical objections referred to are anything more than may be raised against almost any legitimate loss, we should like to know what they are. The companies interested are liable for all honest losses caused by the burning of insured property in Charleston, whether an earthquake or a defective flue started the fire. Whatever the burned property was worth at the occurrence of the fire is the limit of the damage, and the companies expected to pay it, and we don't believe that any of them authorized or suggested the supererogative announcement that they would pay the Charleston fire losses. There never was a policy exempting a company from liability from fire loss caused by an earthquake.

—The affairs of the old Columbian Ins. Co. of New York, which went into insolvency twenty years ago, are just drawing to a settlement.

—The Chicago University property has now been practically turned over to the Union Mutual Life Insurance Company, the Trustees of the University having been unable to comply with the terms of the agreement, whereby the indebtedness was to be raised.

—A fire at Santa Rosa, Cal., last month, was started by tramps. We assumed, in our last issue, that the recent extraordinary fires in the interior of this State were the work of these lawless nomads, and the Santa Rosa case is another costly link in the chain of evidence. Local agents should impress the community wherein they live with the urgent need of vigilance and protective measures, if a rise in premium rates is to be avoided. The authorities in towns and villages should order the tramps to "move on," or force them to saw wood for the public benefit. That dreadful penalty will secure any community from the presence of professional tramps.

—Horace Greeley's broad mind appreciated the benefits of insurance, and his convictions upon the subject took practical form to the extent of an insurance of \$100,000 on his life in favor of the Tribune Association. At his death his foresight relieved the Association of difficulties which it might not have overcome, and the *Tribune* still stands as a memorial of its great founder.—*Weekly Statement*.

But the narrow mind that wished to control the *Tribune* didn't appreciate Mr. Greeley, and the defeat of the great journalist in the Presidential campaign of '72 furnished the desired occasion for a new editorial control. The brutal refusal to recognize his editorial authority in the *Tribune* office broke Mr. Greeley's heart. Recovery from the shock was impossible. That humiliation was greater than the humiliation of political defeat. By his death the *Tribune's* owners received \$100,000 on a life in which they no longer had an insurable interest. But that sum didn't fill the void; for, in dismissing their great editor, the *Tribune* owners finally dismissed influence and profit.



—Last month we printed an editorial entitled "A Law Regulating Co-operatives Needed;" but, come to think of it, co-operatives are not needed.

—We have received the first pages of Frazier's Confidential Fire Insurance Grade Book, covering the Metropolitan District. These pages indicate a great undertaking.

—Of the insurance in force on burned property in San Francisco during the past ten years, 16.2 per cent. was paid by underwriters. Only a fraction over 60 per cent. of the property loss was covered by insurance. It is likely, therefore, that the estimated property loss is usually excessive, insurance claimants being prone to exaggerate their losses.

—Colorado still retains the foremost rank as the largest producer of the precious metals. California retains the second position. The production in Montana increased from \$9,000,000 in 1884 to nearly \$13,500,000 in 1885, and in Idaho from \$3,970,000 to \$5,300,000. The production in Arizona has fallen behind, while Nevada, Utah and New Mexico barely hold their own.

—The Oldest Inhabitant says that the winters of California always correspond with the winters of Chili. The California reader is doubtless prepared to admit that we have chilly winters [chestnut]; but the Oldest means that when the winters in Chili are dry, the winters in California are dry, and when the winters in the former country are wet, the winters of the latter are also wet. He has never known the correspondence to fail. The Chilian winter this year has been an extremely dry one. Prayers for rain have been offered in all the churches, but the weather god refuses to be propitiated. The crop prospects are exceedingly bad. If the resemblance between the winters of the two countries is preserved this year, as it was last, we may expect a dry winter in California. Another weather prophet says that the comparative freedom from fogs, which we all have observed this summer, is a sure sign of a dry winter. What will be the effect of a dry winter upon the fire loss in this State?

—An earthquake insurance company would do a thriving business in the South now. It would pay better than a hat-passer.

—Three absconding telegraph operators have been captured and prosecuted, recently, by the surety company which had guaranteed their fidelity. One was caught in Ohio, another in Manitoba, and the third in Colorado.

—The *Chronicle* recently printed a cartoon that certainly requires no explanations or comments. It is a mass of dilapidated hats built in the shape of a decrepit man, standing on a battered hat, and extending a bottomless (or topless) hat for contributions. It satirizes hat-passing insurance capitally.

—Wood oil is being made in large quantities in Sweden. The boys prefer it to strap oil. This wood oil is made from the refuse of timber cuttings and forest clearings, and from stumps and roots. Although it cannot well be burned in common lamps, on account of the heavy proportion of carbon it contains, it furnishes a satisfactory light in lamps especially made for it, and in its natural state is the cheapest of all illuminating oils. Thirty factories produce about 12,000 gallons of the oil daily.

—A Canadian bank recently sued the Guarantee Company of North America. The action was brought upon two guarantee bonds, to recover the amount of a defalcation committed by an employé of the bank. The defense was, that the bank had violated the essential conditions of the contract in not giving immediate information of the defalcation to the company, as they were bound to do. This defense was proved by evidence of record. The defalcation occurred on the 25th of November, 1884, and the first intimation the defendants had of it was by a letter received on the 28th of November, which had been written on the 27th of November. In the interval the bank had opened negotiations with Wood and his friends with the object of recovering the amount of the defalcation, \$2,102.85, and Wood had escaped from the jurisdiction before the defendants were apprised of the facts. The court decided for the surety company.

—The Canadian Superintendent of Insurance sends us his annual report. The paper is cheap, and the ink cheaper. The printing of the Dominion must be let to the lowest bidder, and a very low one at that.

—Three boys apprehended at East St. Louis, confessed the authorship of repeated attempts to burn down the National Stock Yards within the last two months, a number of which resulted in fires entailing an aggregate loss of \$60,000. The boys said that they made the attempts to burn down the yards because they were refused work. The underwriters' reward system appears not to have been duly appreciated by these boys.

—The United States Life and Accident Association, a Chicago co-operative, has failed. Its Pooh-Bah Manager, Director, Examiner, Secretary, President, Treasurer, Crandell, is in jail charged with embezzling \$1,200 of the funds of the association. His family pride of protoplasmal ancestry was humiliated once too often. A number of over-due death claims remain, and will continue to remain, unpaid. If there are any funds, the receiver will take good care of them.

—An English journal recalls the fact that diamonds are inflammable. Celebrated diamonds have been burned under a focus of the sun's rays. We have even known purchasers of diamonds to be badly "burnt" in the transaction. The inflammability of diamonds is an element in the fire hazard of risks which does not receive due consideration from underwriters, we fear. We therefore venture to suggest that agents who write dwelling risks in Tar Flat, and in country districts, be instructed to carefully observe whether the family "diamonds" are kept where the sun's rays can reach them. If diamonds are found lying on window sills or hanging upon walls near a stove or grate, the risk may be relied upon as too risky for profit. Many mysterious fires in dwellings may be reasonably attributed to this ignorant exposure of diamonds to heat; and whether fires result from the habit or not, it may safely be put down as an evidence of a habitual carelessness which renders the risk an undesirable one.

—Lincoln, Neb., has organized a \$100,000 fire insurance company.

—The Hungarian hail insurance companies lost money last year. The weather god was a hail fellow.

—Under the Acts of Canada, 32-33 Victoria, "an absconder with money stolen in the United States can be arrested and punished criminally in Canada on the complaint of any one."

—James W. Rea, of the insurance firm of Montgomery & Rea, of San Jose, is the Republican nominee for Railroad Commissioner for his district.

—The latest idea that it is plainly the duty of every man who has a pretty wife to insure his life heavily, so that his wife's second husband may have a fair start in the world, perhaps, on second thought, might as well not be mentioned by the solicitor who is whooping up the business.—*Argus*.

—It is a mooted question whether the sunlight falling upon an ordinary wood fire retards the process of combustion. This is a popular notion, and one writer says it looks as if the fire burns more feebly when the sun shines full upon it. It is now alleged by scientific men that there may be some influence produced by the action of the sun. So says somebody, who may be a nobody.

—Drop subscribing to any paper that ever puts in anything "funny." Let your mental pabulum consist solely of the "funeral baked meat," composed of statistics ten years old, hackneyed quotations from musty authorities, spaced out to fill up an odd quarter of a column here and there, and trite criticisms of balance-sheets, couched in exactly the same bald phraseology from year to year. You will then have the satisfaction of knowing that you are aiding in the noble work of preserving the British insurance press from the adoption of "new fangled" notions in journalism, and that all impertinent pressmen who "have ideas of their own," and dare to utter them, will soon either be starved into a surrender of their individuality, or reduced to hopeless idiocy under the influence of your withering scowl.—*London Insurance Sun*.

# THE COAST REVIEW

A MONTHLY JOURNAL

DEVOTED TO

FIRE, MARINE, LIFE AND ACCIDENT INSURANCE.

J. G. EDWARDS, PROPRIETOR,

320 Sansome St. (Room 13), San Francisco, Cal.

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## PUBLISHER'S NOTICE.

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Post office boxes or street and number should be added to address to secure a safe delivery.

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Postage, when not sent from this office, is 2 cents per copy.

Correspondence invited. Write on one side of paper only. Be specially careful with names and dates.

Our readers are requested to send us court decisions and newspaper clippings relating to underwriting interests.

Communications, new advertisements and changes in old advertisements should be handed in before the 1st of the month, or as soon after the 1st as possible.

The COAST REVIEW will be mailed about the 8th of the month.

Advertising rates made known on application.

## The New York Standard Policy.

In accordance with an Act passed by the Legislature of New York on May 29, 1886, the New York Board of Underwriters has prepared a standard form of policy, and filed the same with the Secretary of State. After May 1, 1887, it will be the only form legally in use in New York. Great care has been taken to simplify the policy, and to remedy the imperfections developed by recent legal decisions. The great length of the policy is to be charged to the circumlocutory and tautological language required in legal documents, and to the numerous conditions and limitations of liability made necessary by the variety of hazards, the opportunities for fraud, and the leanings of courts and juries.

We print the new form of policy, as a matter of record and because nobody will ever read the policy itself. At the present writing we have only one fault to find with it. The five days' notice of cancellation is too much. In a State like New York the insured can easily secure new insurance in less time; and if he is dishonest he may during the five days burn his property.

## The Standard Policy.

In consideration of the stipulations herein and of dollars premium, does insure for the



term of from the day of , 18 , at noon, to the day of , 18 , at noon, against all direct loss or damage by fire, except as hereinafter provided, to an amount not exceeding \$\_\_\_\_ dollars, to the following described property while located and contained as described herein and not elsewhere, to-wit:

#### LIMITATION OF LIABILITY.

This company shall not be liable beyond the actual cash value of the property at the time any loss or damage occurs, and the loss or damage shall be ascertained or estimated according to such actual cash value, with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost the insured to repair or replace the same with material of like kind and quality; said ascertainment or estimate shall be made by the insured and this company, or, if they differ, then by appraisers, as hereinafter provided; and the amount of loss or damage having been thus determined, the sum for which this company is liable pursuant to this policy shall be payable sixty days after due notice, ascertainment, estimate, and satisfactory proof of the loss have been received by this company in accordance with the terms of this policy. It shall be optional, however, with this company to take all, or any part, of the articles at such ascertained or appraised value, and also to repair, rebuild or replace the property lost or damaged with other of like kind and quality within a reasonable time, on giving notice of its intention so to do within thirty days after the receipt of the proof herein required; but there can be no abandonment to this company of the property described.

#### MISREPRESENTATIONS BY INSURED.

This entire policy shall be void if the insured has concealed or misrepresented, in writing or otherwise, any material fact or circumstance concerning this insurance or the subject thereof; or if the interest of the insured in the property be not truly stated herein; or in case of any fraud or false swearing by the insured touching any matter relating to this insurance or the subject thereof, whether before or after a loss.

#### MISCELLANEOUS CONDITIONS.

This entire policy, unless otherwise provided by agreement indorsed hereon or added hereto, shall be void if the insured now has, or shall hereafter make or procure, any other contract of insurance, whether valid or not, on property covered in whole or in part by this policy; or if the subject of insurance be a manufacturing establishment, and it be operated in whole or in part at night later than 10 o'clock, or if it cease to be operated for more than ten consecutive days; or if the hazard be increased by any means within the control or knowledge of the insured; or if mechanics be employed in building, altering or repairing the within-described premises for more than fifteen days at any one time; or if the interest of the insured be other than unconditional and sole ownership; or if the subject of insurance be a building on ground not owned by the insured in fee simple; or if the subject of insurance be personal property, and be or become incumbered by a chattel mortgage; or if, with the knowledge of the insured, foreclosure proceedings be commenced or notice given of sale of the property by virtue of any mortgage or trust deed; or if any change, other than by the death of an insured, take place in the interest, title or possession of the subject of insurance (except change of occupants without increase of hazard), whether by legal process or judgment, or by voluntary act of the insured or otherwise; or if this policy be assigned before a loss; or if illuminating gas or vapor be generated in the described building (or adjacent thereto) for use therein; or if (any usage or custom of trade or manufacture to the contrary notwithstanding) there be kept, used, or allowed on the above-described premises, benzine, benzole,

dynamite, ether, fireworks, gasoline, Greek fire, gunpowder exceeding twenty-five pounds in quantity, naphtha, nitro-glycerine or other explosives, phosphorus, or petroleum or its products of greater inflammability than kerosene oil of the United States standard (which last may be used for lights and kept for sale according to law, but in quantities not exceeding five barrels, provided it be drawn and lamps filled by daylight or at a distance not less than ten feet from artificial light); or if a building herein described, whether intended for occupancy by owner or tenant, be or become vacant or unoccupied, and so remain for ten days.

This company shall not be liable for loss caused, directly or indirectly, by invasion, insurrection, riot, civil war or commotion, or military or usurped power, or by order of any civil authority; or by theft, or by neglect of the insured to use all reasonable means to save and preserve the property at and after a fire, or when the property is endangered by fire in neighboring premises; or (unless fire ensues, and, in that event, for the damage by fire only) by explosion of any kind, or lightning; but liability for direct damage by lightning may be assumed by specific agreement hereon.

If a building or any part thereof fall, except as the result of fire, all insurance by this policy on such building or its contents shall immediately cease.

This company shall not be liable for loss to accounts, bills, currency, deeds, evidences of debt, money, notes or securities; nor, unless liability is specifically assumed hereon, for loss to awnings, bullion, casts, curiosities, drawings, dies, implements, jewels, manuscripts, medals, models, patterns, pictures, scientific apparatus, signs, store or office furniture or fixtures, sculpture, tools, or property held on storage or for repairs; nor beyond the actual value destroyed by fire, for loss occasioned by ordinance or law regulating construction or repair of buildings, or by interruption of business, manufacturing processes or otherwise; nor for any greater proportion of the value of plate-glass, frescoes and decorations than that which this policy shall bear to the whole insurance on the building described.

If an application, survey, plan or description of property be referred to in this policy it shall be a part of this contract, and a warranty by the insured.

In any matter relating to this insurance no person, unless duly authorized in writing, shall be deemed the agent of this company.

#### RENEWAL.

This policy may, by a renewal, be continued under the original stipulations, in consideration of premium for the renewed term, provided that any increase of hazard must be made known to this company at the time of renewal, or this policy shall be void.

#### CANCELLATION.

This policy shall be cancelled at any time at the request of the insured; or by the company, by giving five days' notice of such cancellation. If this policy shall be cancelled as hereinbefore provided, or become void or cease, the premium having been actually paid, the unearned portion shall be returned on surrender of this policy or last renewal, this company retaining the customary short rate; except that when this policy is cancelled by this company by giving notice, it shall retain only the pro rata premium.

#### MORTGAGEES' AND OTHERS' INTEREST.

If, with the consent of this company, an interest under this policy shall exist in favor of a mortgagee, or of any person or corporation having an interest in the subject of insurance other than the interest of the insured, as described herein, the conditions hereinbefore contained shall apply in the manner expressed in such provisions and conditions of insurance relating to such interest as

shall be written upon, attached or appended hereto.

#### REMOVAL OF ENDANGERED PROPERTY.

If property covered by this policy is so endangered by fire as to require removal to a place of safety, and is so removed, that part of this policy in excess of its proportion of any loss and of the value of property remaining in the original location, shall, for the ensuing five days only, cover the property so removed in the new location; if removed to more than one location, such excess of this policy shall cover therein for such five days in the proportion that the value in any one such new location bears to the value in all such new locations; but this company shall not, in any case of removal, whether to one or more locations, be liable beyond the proportion that the amount hereby insured shall bear to the total insurance on the whole property at the time of fire, whether the same cover in new location or not.

#### NOTICE OF LOSS.

If fire occur, the insured shall give immediate notice of any loss thereby in writing to this company, protect the property from further damage, forthwith separate the damaged and undamaged personal property, put it in the best possible order, make a complete inventory of the same, stating the quantity and cost of each article and the amount claimed thereon; and within sixty days after the fire, unless such time is extended in writing by this company, shall render a statement to this company, signed and sworn to by said insured, stating the knowledge and belief of the insured as to the time and origin of the fire; the interest of the insured and of all others in the property; the cash value of each item thereof and the amount of loss thereon; all incurrences thereon; all other insurance, whether valid or not, covering any of said property, and a copy of all the descriptions and schedules in all policies; any changes in the title, use, occupation, location, possession or exposures of said property since the issuing of this policy; by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of fire; and shall furnish, if required, verified plans and specifications of any building, fixtures or machinery destroyed or damaged; and shall also, if required, furnish a certificate of the magistrate or notary public (not interested in the claim as a creditor or otherwise, nor related to the insured) living nearest the place of fire, stating that he has examined the circumstances and believes the insured has honestly sustained loss to the amount that such magistrate or notary public shall certify.

#### EXAMINATION OF INSURED AND BOOKS AND PAPERS.

The insured, as often as required, shall exhibit to any person designated by this company all that remains of any property herein described, and submit to examinations under oath by any person named by this company, and subscribe the same; and, as often as required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if original be lost, at such reasonable place as may be designated by this company or its representative, and shall permit extracts and copies thereof to be made.

#### APPRAISEMENT.

In the event of disagreement as to the amount of loss, the same shall, as above provided, be ascertained by two competent and disinterested appraisers, the insured and this company each selecting one, and the two so chosen shall first select a competent and disinterested umpire; the appraisers together shall then estimate and appraise the loss, stating separately sound value and damage, and, failing to agree, shall submit their difference to the umpire; and the award in writing of any two shall determine the amount of such loss; the parties thereto shall pay the appraiser respectively

selected by them, and shall bear equally the expenses of the appraisal and umpire.

#### WAIVER—LOSS PAYABLE AFTER SIXTY DAYS.

This company shall not be held to have waived any provision or condition of this policy, or any forfeiture thereof, by any requirement, act or proceeding on its part relating to the appraisal or to any examination herein provided for; and the loss shall not become payable until sixty days after the notice, ascertainment, estimate and satisfactory proof of the loss herein required have been received by this company, including an award by appraisers when appraisal has been required.

#### PROPORTIONATE LIABILITY.

This company shall not be liable under this policy for a greater proportion of any loss on the described property, or for loss by any expense of removal from premises endangered by fire, than the amount hereby insured shall bear to the whole insurance, whether valid or not, or by solvent or insolvent insurers, covering such property; and the extent of the application of the insurance under this policy, or of the contribution to be made by this company in case of loss, may be provided for by agreement or condition written hereon or attached or appended hereto. Liability for reinsurance shall be as specially agreed hereon.

#### SUBROGATION.

If this company shall claim that the fire was caused by the act or neglect of any person or corporation, private or municipal, this company shall, on payment of the loss, be subrogated to the extent of such payment to all right of recovery by the insured for the loss resulting therefrom, and such right shall be assigned to this company by the insured on receiving such payment.

#### MISCELLANEOUS.

No suit or action on this policy, for the recovery of any claim, shall be sustainable in any court of law or equity until after full compliance by the insured with all the foregoing requirements; nor unless commenced within twelve months next after the fire.

Wherever in this policy the word "insured" occurs, it shall be held to include the legal representative of the insured; and wherever the word "loss" occurs, it shall be deemed the equivalent of "loss or damage."

If this policy be made by a mutual or other company having special regulations applicable to its organization, membership, or contracts of insurance, such regulations shall apply to and form a part of this policy as the same may, in accordance with law, be written or printed upon, attached or appended hereto.

This policy is made and accepted subject to the foregoing stipulations and conditions, together with such other provisions, agreements or conditions as may be indorsed hereon or added hereto, and no officer, agent or other representative of this company shall have power to waive any provision or condition of this policy except such as by the terms of this policy may be the subject of agreement indorsed hereon or added hereto; and as to such provisions and conditions, no officer, agent or representative shall have such power, or be deemed or held to have waived such provisions or conditions, unless such waiver, if any, shall be written upon or attached hereto; nor shall any privilege or permission affecting the insurance under this policy exist or be claimed by the insured unless so written or unattached.

In witness whereof this company has executed and attested these presents this day of , 18 .

#### The Riders.

#### CO-INSURANCE CLAUSE.

If at the time of fire the whole amount of insurance on the property covered by this policy shall



be less than the actual cash value thereof, this company shall, in case of loss or damage, be liable for such portion only of the loss or damage as the amount insured by this policy shall bear to the actual cash value of such property.

**CO-INSURANCE CLAUSE FOR APPLICATION TO SPECIFIC ITEMS OF POLICY.**

If at the time of fire the whole amount of insurance on the property covered by the — item— of this policy on — shall be less than the actual cash value thereof, this company shall, in case of loss or damage, be liable for only such portion of such loss or damage as the amount insured under said item— shall bear to the actual cash value of property covered by such item—.

**PERCENTAGE CO-INSURANCE CLAUSE FOR APPLICATION TO SPECIFIC ITEMS OF POLICY.**

If at the time of fire the whole amount of insurance on the property covered by the — item— of this policy on — shall be less than — per cent. of the actual cash value thereof, this company shall, in case of loss or damage, be liable for only such portion of such loss or damage as the amount insured under said item— shall bear to the said — per cent of the actual cash value of the property covered by such item—.

**CO-INSURANCE CLAUSE FOR FLOATER.**

It is hereby declared and agreed that in case the property aforesaid in all the buildings, places or limits included in this insurance shall, at the breaking out of any fire or fires, be collectively of greater value than the sum insured, then this company shall pay and make good such a portion only of the loss or damage as the sum insured shall bear to the whole value of the property aforesaid at the time when such fire or fires shall first happen.

But it is at the same time declared and agreed that if any specific parcel of goods included in the terms of this policy, or such goods in any specified building or buildings, place or places, within the limits of this insurance, shall at the time of any fire be insured in this or any other office, this policy shall not extend to cover the same, excepting only as far as relates to any excess of value beyond the amount of such specific insurance or insurances, and shall not be liable for any loss, unless the amount of such loss shall exceed the amount of such specific insurance or insurances, which said excess only is declared to be under the protection of this policy and subject to average, as aforesaid;

It being the true intent and meaning of this agreement that this company shall not be liable for any loss, unless the amount of such loss shall exceed the amount of the specific insurance or insurances, and then only for such excess, which said excess shall be subject to average, as above.

**LIGHTNING CLAUSE.**

This policy shall cover any direct loss or damage caused by lightning (meaning thereby the commonly accepted use of the term lightning, and in no case to include loss or damage by cyclone, tornado or wind storm) not exceeding the sum insured, nor the interest of the insured in the property, and subject in all other respects to the terms and conditions of this policy. Provided, however, if there shall be any other insurance on said property, this company shall be liable only pro rata with such other insurance for any direct loss by lightning, whether such other insurance be against direct loss by lightning or not.

**APPLICATION AND SURVEY CLAUSE.**

This policy is based upon an application and survey of the property on file, which is hereby referred to as forming part of this policy.

**ASSESSMENT, INSTALLMENT OR CREDIT CLAUSE.**

If any assessment or installment, or any part of

the premium for which credit is given, be not paid when due, the whole premium shall be considered earned and be immediately payable, and this policy shall be void so long as any part of such premium remains unpaid.

**MORTGAGEE CLAUSE.**

Loss or damage, if any, under this policy shall be payable to — as — mortgagee (or trustee) as interest may appear, and this insurance, as to the interest of the mortgagee (or trustee) only therein, shall not be invalidated by any act or neglect of the mortgagor or owner of the within-described property, nor by any foreclosure or other proceeding or notice of sale relating to the property, nor by any change in the title or ownership of the property, nor by the occupation of the premises for purposes more hazardous than are permitted by this policy; provided, that in case the mortgagor or owner shall neglect to pay any premium due under this policy, the mortgagee (or trustee) shall, on demand, pay the same.

Provided, also, that the mortgagee (or trustee) shall notify this company of any change of ownership or occupancy or increase of hazard which shall come to the knowledge of said mortgagee (or trustee), and, unless permitted by this policy, it shall be noted thereon and the mortgagee (or trustee) shall, on demand, pay the premium for such increased hazard for the term of the use thereof; otherwise this policy shall be null and void.

This company reserves the right to cancel this policy at any time, as provided by its terms, but in such case this policy shall continue in force for the benefit only of the mortgagee (or trustee) for ten days after notice to the mortgagee (or trustee) of such cancellation and shall then cease, and this company shall have the right, on like notice, to cancel this agreement.

Whenever this company shall pay the mortgagee (or trustee) any sum for loss or damage under this policy and shall claim that, as to the mortgagor or owner, no liability therefore existed, this company shall, to the extent of such payment, be thereupon legally subrogated to all the rights of the party to whom such payment shall be made, under all securities held as collateral to the mortgage debt, or may at its option pay to the mortgagee (or trustee) the whole principal due or to grow due on the mortgage with interest, and shall thereupon receive a full assignment and transfer of the mortgage and of all such other securities; but no subrogation shall impair the right of the mortgagee (or trustee) to recover the full amount of — claim.

The mortgagee clause (with full contribution) reads the same as the foregoing, but contains the following additional clause:

In case of any other insurance upon the within-described property, this company shall not be liable under this policy for a greater proportion of any loss or damage sustained than the sum hereby insured bears to the whole amount of insurance on said property, issued to or held by any party or parties having an insurable interest therein, whether as owner, mortgagee or otherwise.

**MORTGAGEE CLAUSE WHEN OWNER HAS NO INTEREST IN THE INSURANCE.**

It is hereby specially understood and agreed that this policy is for the benefit of the mortgagee (or trustee) only, the owner having no interest whatever therein.

And it is further agreed that whenever this company shall pay the mortgagee any sum for loss under this policy, this company shall at once be legally subrogated to all the rights of the mortgagee (or trustee), under all the securities held as collateral to the mortgage debt to the extent of such payment, but such subrogation shall not impair the right of the mortgagee (or trustee) to recover the full amount of his claim.



## CONDITION AS TO INCUMBRANCES.

If the property, real or personal, covered by this policy be or become incumbered by a mortgage, trust deed, judgment or otherwise, this entire policy shall be void, unless otherwise provided by agreement indorsed hereon or added hereto.

## PERCENTAGE CO-INSURANCE AND LIMITATION CLAUSE.

If at the time of fire the whole amount of insurance on the property covered by this policy shall be less than — per cent. of the actual cash value thereof, this company shall, in case of loss or damage, be liable for such portion only of the loss or damage as the amount insured by this policy shall bear to the said — per cent. of the actual cash value of such property; provided, that in case the whole insurance shall exceed — per cent. of the actual cash value of the property covered by this policy, this company shall not be liable to pay more than its pro rata share of said — per cent. of the actual cash value of such property; and should the whole insurance at the time of fire exceed the said per cent., a pro rata return of premium on such excess of insurance from the time of the fire to the expiration of this policy shall be made on surrender of the policy.

## PERCENTAGE CO-INSURANCE AND LIMITATION CLAUSE FOR APPLICATION TO SPECIFIC ITEMS OF POLICY.

If at the time of fire the whole amount of insurance on the property covered by the — item- of this policy on — shall be less than — per cent. of the actual cash thereof, this company shall, in case of loss or damage, be liable for only such portion of such loss or damage as the amount insured under said item- shall bear to the said — per cent. of the actual cash value of property covered by such item-; provided that in case the whole insurance on the property covered by said item- shall exceed — per cent. of the actual cash value of the same, this company shall not on said item- be liable to pay more than its pro rata share of said — per cent. of the actual cash value of such property; and should the whole insurance on said item- at the time of the fire exceed the said — per cent., a pro rata return of premium on such excess of insurance from the time of the fire to the expiration of this policy shall be made on surrender of the policy.

## PERCENTAGE VALUE CLAUSE.

If at the time of fire the whole amount of insurance on the property covered by this policy shall exceed — per cent. of the actual cash value thereof, this company in case of loss or damage shall not be liable to pay more than its pro rata share of said — per cent. of the actual cash value of such property; and should the whole insurance at the time of fire exceed the said per cent., a pro rata return of premium on such excess of insurance from the time of the fire to the expiration of this policy shall be made on surrender of the policy.

## PERCENTAGE VALUE CLAUSE FOR APPLICATION TO SPECIFIC ITEMS OF POLICY.

If at the time of fire the whole amount of insurance on the property covered by the — item- of this policy on — shall exceed — per cent. of the actual cash value thereof, this company, in case of loss or damage, shall not be liable to pay more than its pro rata share of said — per cent. of the actual cash value of such property; and should the whole insurance on said item- at the time of fire exceed the said per cent., a pro rata return of premium on such excess of insurance from the time of the fire to the expiration of this policy shall be made on surrender of the policy.

Some of the telegraph poles in San Francisco support 100 wires.

## For Life Insurance Solicitors.

We extract the following paragraphs from a paper by W. W. Byington, read at a recent meeting of the Boston Life Underwriters' Association, a report of which appears in the *Standard*:

The work of the life insurance agent should be carefully considered. It must be always accompanied with study and with full thought. It is useless to go plunging about hawking the wares like an umbrella mender. With proper caution one can always find an abundance of material to work upon. When a man insures his life and has entirely completed the transaction, it is, as far as my observation goes, always the case that he is pleased with it. Every man lives to a certain extent in a kind of coterie, or with a certain number of acquaintances or associates with whom he is most familiar. When a man insures his life it is most always the case that some one of his friends can be induced to insure, and thus the wave be kept in motion. I know of nothing in the business of more value to an agent than to try to follow out a lead already started by inducing the intimate friends of a man to insure.

The life insurance agent himself has many fast friends. There is something almost wonderful how completely a man gives his friendship to an honest agent who has insured his life. It is of the very greatest importance to have all of these friends on the alert. It is not sufficient to ask them once or occasionally to look out for favorable cases. An agent's friends should be constantly impressed with the fact that they can be of very great use in securing an interview with persons who should take insurances.

If an agent has determined to interview a certain man, it is always well to send an appropriate document, if possible accompanied with a note, asking attention to it. It will cause the recipient to give attention to the matter when he is approached.

On the payment of a loss or endowment the friends and surroundings should be carefully looked after to the remotest extreme. The culmination of a paid-up pol-

icy, the payment of a dividend in cash, or on a policy which is running, are points to be watched at all times. A sudden death, whether by accident or acute illness, should always be watched for those who are likely to be affected by it. A life insurance agent must be intensely on the alert, and always watching for places where he is likely to meet with a favorable reception. The daily papers constantly mention the names of men who can be approached and talked to because of some peculiarity of circumstance. The marriage notices are valuable, as are the death notices and the birth notices. A well-read daily paper cannot fail to give a new lead to any life insurance agent. I once heard a successful life insurance agent say that he would guarantee the success of any one who would follow up his old leads and talk to two new cases each day, and I have no doubt it would prove true with any agent who was reasonably well informed.

#### Neatly Caught in a Trap.

A California claimant recently tangled his testimony somewhat while on the witness-stand, after this fashion: The amount of the insurance was \$5,850, and a total loss was claimed. He swore that his sales in a given time aggregated \$68,250, and that the profit on the sales was thirty-five per cent., or \$17,695. Bear in mind that he claimed stock to the amount of \$8,000 or \$9,000, or considerably in excess of the insurance. The stock at the beginning was valued at \$5,000, and the claimant testified that he had purchased \$43,875 worth of goods during the period covering the \$68,250 sales. Deducting the thirty-five per cent. profit from the sales, we have \$50,555 as the cost of the goods purchased. From this sum we take the stock on hand (\$5,000) and the cost of the goods purchased (\$43,875), or \$48,875 altogether, which leaves \$1,680 excess of sales over stock. In other words, at the time of the fire there was \$1,680 less than no stock. These figures—that is, the sales, profits, purchases and original stock were furnished by the claimant. Had he the stock on hand at the time of the fire as claimed (\$8,000 or \$9,000), he

must have sold his goods at a profit of seventy or seventy-five per cent. Sixty per cent. profit would leave \$6,219 stock on hand; at seventy per cent. profit the stock would have been \$8,728; at seventy-five per cent., \$9,647. Figures do not lie, if this incendiary claimant did.

#### The Famous Dwight Case.

The Court of Appeals of the State of New York has just reversed the decision of the lower court in the Dwight case, which has been in litigation since 1879. The Germania Life Insurance Co., representing the nineteen companies involved, retained Wm. M. Evarts, and carried the case into the Court of Appeals. The case was tried by a jury in December, 1883, and a verdict against the defendant company was returned only after a deliberation of fifty-one hours. Twenty-five days were consumed in the hearing of the case, and the evidence was so perplexing that the jury once came into court and declared that they could not agree.

The facts in this celebrated case are, briefly stated, as follows: In 1868, Walton Dwight moved to Binghamton, N. Y., and began to build Dwightville. He was a rich and enterprising business man, but in 1877 he failed and went through bankruptcy. In the fall of 1878 he sent out thirty-one applications for insurance on his life. He obtained \$250,000 insurance, but kept the companies in ignorance of the amount he carried. Three months' premiums upon each policy, amounting to \$2,000 altogether, or at the rate of \$8,000 per year, were paid by this bankrupt. If he could have obtained the additional insurance he would have undertaken \$5,000 more, or \$13,000 per annum; for he applied for \$400,000 insurance. Before the second quarter's premium fell due, Dwight suddenly, mysteriously and opportunely died. All the companies, with two exceptions, declined to pay the insurance.

The medical testimony was conflicting, the plaintiffs' experts swearing that Dwight's death was natural, and the defendant's experts swearing that he had been strangled to death. It was positively prov-

ed by these medical experts that the "spitting of blood" was a sure sign of pulmonary disease and a positive evidence of the most robust health.

To a reasonable mind the evidence of fraud was convincing. Dwight undoubtedly committed suicide by hanging. He obtained his insurance when his lungs were affected, and resolved to cut off a few months of fearing death and at the same time provide handsomely for a family which he had reared in luxury. He could not possibly pay \$8,000 in premiums annually. The companies were warranted in resisting the claims made by Dwight's family. The *Coast Review* said so at the time, and the New York Court of Appeals says so now.

In our digest of insurance decisions the curious reader will find a report of this decision.

#### Assessment Life or Fire Insurance.

##### IF ONE, WHY NOT THE OTHER?

Will the editor of the insurance column in the Cincinnati *Price Current*, who is an officer of a fire insurance company, be kind enough to explain why, if assessment life insurance is the true principle of life insurance, assessment fire insurance is not also the true principle of fire insurance. If the true principle requires the collection of premiums after death from Tom, Dick and Harry who probably have no property, why does not the "true principle" require the collection of premiums after a fire from Tom, Dick and Harry who certainly have property? If assessment life insurance embodies the true principle, and is the correct thing for the widow and orphan, why does not assessment fire insurance embody the true principle, and why is it not the proper and better thing for the strong man who insures his house or barn or goods? The chance of collecting the face of an assessment fire insurance policy is greater than the chance of collecting the face of an assessment life insurance certificate. The members of an assessment fire insurance company all have property, but many or most of the members of an assessment life insurance company have no property and

cannot be reached by law. Life insurance premiums are determined by the known law of mortality and the prevailing rate of interest. The excess over the estimated cost is returned in dividends to policyholders. Fire insurance premiums are determined, not by a law of "fire mortality," but by experience and guesswork, and the excess over the estimated burning and expense rates goes into the pockets of the stockholders or is added to the assets and swells their dividends. The insurance contributor to the *Price Current* cannot urge an argument for the cheapness or economy or "true principle" of assessment life insurance that will not apply with greater force to assessment fire insurance. The gentleman "makes us tired" when he discusses life insurance. Either he knows as little of life insurance as the learned pig knows of mathematics, or he is interested in some hat-passing life insurance scheme, as we have long suspected.

The *Spectator* is quoted as saying that some of the strongest level premium companies place their surplus lines with the assessment companies. We do not believe the *Spectator*, and challenge it to give the names of the companies which it alleges do so.

We do not understand how any intelligent fire underwriter, who condemns assessment fire insurance, can consistently uphold assessment life insurance, in which the probabilities of paying policies in full are much less. We shall be glad to have the *Price Current* underwriter enlighten us.

#### The Equitable Life Assurance Society.

##### THE NEW FREE TONTINE POLICY.

The tendency of American life insurance toward the simplest and most liberal policy provisions is again illustrated by the new free tontine policy of the Equitable Life Assurance Society. Under the new policy the policyholder is without restriction as to travel, residence or occupation after one year. It is believed that this short limit is sufficiently long to bar out those who may contemplate traveling in unhealthy regions or engaging in hazardous occupations; and if the liberality of the company is abused



in this respect, the encouragement given to healthful travels in foreign countries will far outweigh any possible bad effects of the extremeliberality. The free tontine policy is also incontestable after two years, a feature that will especially recommend it to that large "class" who imagine that life insurance companies are too prone to litigation. As soon as incontestable the amount of the policy is payable immediately upon receipt of proof of death. Every free tontine policy is "non-forfeitable," as it can be surrendered at any time after three years, and a paid-up policy will be issued in lieu thereof. The tontine returns do not differ from the ordinary tontine and semi-tontine policies of the Equitable.

### A Munchausen Tale.

A story worthy of the veracious Munchausen was telegraphed from Stockton to the daily press of this city, on October 14th, as follows:

"Willie Brough, twelve years old, who created an excitement among superstitious people near Turlock by apparently setting fire to all objects by his glance on Sunday last, and who is held responsible for the destruction of \$9,000 worth of farm property, has been expelled from the Madison country school, near Turlock, on account of his wonderful freaks. After Sunday's fire Brough's family refused to have anything to do with him, believing him to be possessed of a devil. The boy was taken in by a farmer and sent to school. On the first day there were five fires in the school—one in the center of the ceiling, one in the teacher's desk, one in the teacher's wardrobe, and two on the wall. The boy discovered all and cried from fright. The trustees met and expelled him that night. One Turlock insurance agent has given notice that he will cancel all policies on property occupied by the boy. The neighborhood of Turlock is in a furor of excitement about the mystery."

If there is any truth in this silly story, the Turlock incendiary is a mischievous lad who should be soundly threshed and then sent to a house of correction. He is worse than California matches

### The Fire Marshal's Annual Report.

Fire Marshal Durkee has just made his twenty-second annual report to the Board of Fire Underwriters. The report was made a little later than usual, because of delayed adjustments. The period covered is the year ending June 30, 1886. The insurance losses in San Francisco for the twelve months aggregate \$1,303,347.58, of which \$241,822.61 was on buildings.

The property losses for the twelve months under consideration were \$2,619,179. Estimating the population of the city at 334,070, the the loss per capita averaged \$7.84.

The largest loss at one fire was \$958,518, at the Bancroft fire on Market and Stevenson streets, in April. At the Brannan, Boardman and Gilbert streets fire in May, the highest number of buildings (50) were burned; but only two less (48) were burned at the Bryant and Fourth street fires in September (1885). Thirty-eight were burned or damaged at the Bancroft fire.

There were nine incendiary fires and two incendiary attempts. Of the incendiary fires, seven originated on insured property, and destroyed \$18,807 worth of property, and cost the companies \$15,879.

The actual fires numbered 347, with an average loss of \$7,548.06. There are 33,423 buildings in the city. Of these, 532 were burned (and damaged), making the proportion one to every 63. Of the 347 fires, 221 entailed a loss of less than \$200 each.

Five men were arrested for arson. Four were tried and acquitted.

The causes of fires and alarms, and the losses paid, were as follows:

CAUSES AND LOSSES.		No.	Paid.
Attempts.....	2	.....	.....
Alcohol lamps.....	1	.....	.....
Ashes.....	5	\$	35
Boiling over of oil.....	1	.....	.....
Carelessness with candles.....	11	299,	673
Carelessness with cigars.....	11	461	
Carelessness with fire.....	2	125	
Carelessness with glue-pot.....	1	630	
Carelessness with lamp.....	1	50	
Carelessness with matches.....	10	719	
Carelessness with pipes.....	9	8,312	
Children with matches.....	22	3,848	
Collision of cars.....	1	.....	.....
Defective chimneys.....	20	6,315	
Defective dry rooms.....	4	2,059	



*Subscribed Capital, - - - \$4,125,000 00*  
*Capital and Gross Assets, - - - 4,712,747 00*

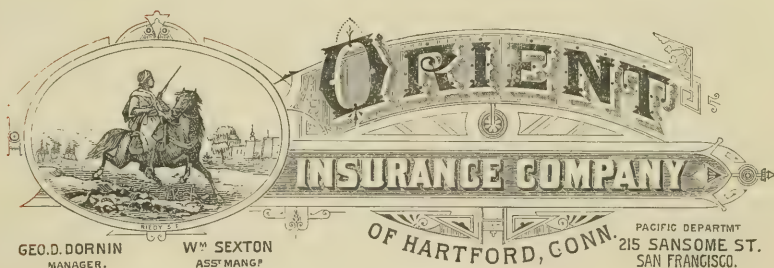
**PACIFIC DEPARTMENT FOR**

**The States of California, Nevada, Oregon, Colorado, the Territories of Washington, Idaho, Montana, Wyoming, Utah, Arizona, New Mexico, and the Hawaii Islands.**

**GEO. D. DORNIN, Manager.**

**WM. SEXTON, Assistant Manager**

*215 Sansome Street, San Francisco, Cal.*



*Capital, - - - \$1,000,000 00*  
*Assets, January 1st, 1886, - - - 1,551,954 00*

**PACIFIC DEPARTMENT FOR**

**The States of California, Oregon, Nevada and the Territories of Washington, Idaho, Utah, Arizona and New Mexico.**

**GEO. D. DORNIN, Manager.**

**WM. SEXTON, Assistant Manager**

*215 Sansome Street, San Francisco, Cal.*



# IMPERIAL

FIRE INSURANCE CO., OF LONDON

(Instituted 1803)

Capital Paid in,	- - - -	\$3,500,000 00
Assets, January 1st, 1886,	- -	9,581,953 00
Invested in the United States,		\$1,589,991 29

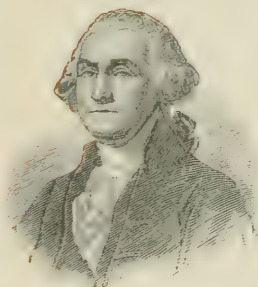
## PACIFIC DEPARTMENT

Having Jurisdiction over the States of California, Oregon, Nevada, Colorado, and the Territories of Washington, Idaho, Montana, Wyoming, Utah, New Mexico and Arizona.

GEO. D. DORNIN, Manager.

WM. SEXTON, Assistant Manager.

215 Sansome Street, San Francisco, Cal.



# WASHINGTON

FIRE AND MARINE INS. COMPANY

OF BOSTON.

Capital Paid in,	- - - -	\$1,000,000 00
Assets, January 1st, 1886,	- -	1,810,273 00

## PACIFIC DEPARTMENT

Having Jurisdiction over the States of California, Oregon, Nevada, Colorado and the Territories of Washington, Idaho, Montana, Wyoming, Utah, New Mexico and Arizona.

GEO. D. DORNIN, Manager.

WM. SEXTON, Assistant Manager.

215 Sansome Street, San Francisco, Cal.



Defective flues.....	4	1,226
Defective furnaces.....	2	609
Defective grates.....	4	94
Defective incubator.....	1	110
Defective ovens.....	2	154
Defective ranges.....	5	7,662
Defective smoke-house.....	1	430
Defective smoke stacks.....	3	46,092
Defective stoves.....	6	2,619
Defective stove-pipes.....	4	12,595
Drunkenness.....	7	7,529
Electric light.....	1	.....
Explosion of alcohol stove.....	1	60
Explosion of ammonia gauge.....	1	100
Explosion of boiler.....	1	.....
Explosion of kerosene lamps.....	22	14,130
Explosion of kerosene stoves.....	3	932
Explosion of gasoline stoves.....	2	20
Fireworks.....	47	1,318
Gaslights.....	8	1,177
Incendiary.....	9	15,879
Over-heated stove.....	1	35
Paper balloon.....	1	50
Rats with matches.....	3	26
Sparks from chimneys.....	17	1,430
Sparks from fires.....	3	147
Sparks from grate.....	1	67
Sparks from smoke stack.....	2	100
Sparks from stove.....	1	23
Spontaneous combustion.....	13	8,674
Supposed causes (various).....	20	647,156
Tinker's furnace.....	1	90
Unknown.....		212,995

## MONTHLY LOSSES.

	Insurance Paid.	Unin- sured.	Prop'ty Loss.
July, 1885.....	\$101,205	\$52,253	\$136,458
August ".....	15,033	6,277	21,310
September ".....	51,152	74,952	126,104
October ".....	384,148	278,080	662,228
November ".....	1,713	1,185	2,898
December ".....	59,782	25,503	85,285
January, 1886.....	39,167	5,227	44,394
February ".....	14,110	1,517	15,687
March ".....	44,798	39,063	83,864
April ".....	316,932	664,537	981,469
May ".....	57,829	51,844	109,673
June ".....	217,482	132,020	349,512

\$1,303,347 \$1,315,831 \$2,619,179

Of the 532 buildings burned, 92 were a total loss, 85 were seriously damaged, 355 were only slightly damaged, and in 230 instances the fire was confined to one building. There were 55 fires which did not damage buildings. The number of dwellings burned was 266; dwelling and shops, etc, 38; saloons, 15; boarding houses, 13; groceries, 10; lodging houses, 11; stables, 8.

The following table, showing the popula-

tion of the city, the average loss per inhabitant, etc., will be of interest:

## AVERAGE LOSS PER INHABITANT.

Year ending June 30.	Insurance paid.	Total loss	Popula- tion.	Aver- age per capita.
1881.....	\$.....	\$395,478	230,735	\$1 71
1882.....	437,338	729,136	236,000	3 09
1883.....	655,636	890,049	251,000	3 54
1884.....	358,653	564,017	276,000	2 04
1885.....	437,751	586,710	303,710	1 93
1886.....	1,303,347	2,619,179	324,070	7 84

## Government Life Insurance in New Zealand.

In 1869, when no life insurance companies were represented in New Zealand, a plan of government insurance was adopted by the colony. Business was begun in the following year, and in 1874 the powers of the new department were extended. A large business was done during the ten years in which the act was in force. In 1884 a new act was passed by the assembly, and the management of the association given to a board chosen by the government and the policyholders. There were, besides, statutory members, which left the policyholders a three-tenths control only. Dissatisfaction followed, and the result was an official investigation. From the committee's report we glean the following:

Land has been purchased for speculative purposes, and not to accommodate the business of the association, as the law provides. There is no evidence of any purpose other than to benefit the association by these investments, and to attract business by imposing office buildings. The funds of the government association were invested at an average rate of less than  $5\frac{1}{4}$  per cent. interest, or one per cent. less than the average rate of other colonial associations. As the association is amply strong enough to operate independently of government aid, many policyholders think that the State guarantee is superfluous and is dearly paid for in reduced interest earnings and bonuses. Political influences have been so plainly exhibited in making appointments to profitable places that the business of the association has greatly fallen off in consequence.

The proposal to return the association to the charge of the government was carried by a vote of 3,183 policyholders, or a majority of 1,675. A bill to restore the association to the direct control of the government is now before the colonial parliament. The act of 1874 is to be revived. The extent of partisan control will not be diminished under the revived act, but the direct and admitted responsibility of the government will doubtless diminish the evils of political influence; but the gain in this respect is too slight to explain the large vote in favor of entire government control. The policyholders have voluntarily resigned their share in the management without any corresponding advantages; for the security and the popularity of the association will certainly be no greater than heretofore, nor will the investments of the funds be any more profitable. It seems likely that their share in the management being merely nominal, the policyholders preferred to resign an authority which they exercised with no other effect than their own inconvenience.

It appears from the evidence thus adduced that the experiment of government life insurance, while not a failure, is certainly not a success. There has been no reduction of expenses, and no gain in security, and there certainly has been a loss of profit or interest. The *Insurance and Banking Record* expresses the opinion that in course of time the New Zealand Insurance Department will be completely withdrawn from government control, and either turned into a mutual association or merged into one of the existing colonial life offices.

The aggregate amount paid for losses in New York city during the year ending May 1st, was \$3,064,276.38, of which \$584,745.71 was on buildings, and \$2,479,530.67 on contents. The percentage of loss to insurance in force was only 11.66, the lowest for the past thirty years, the highest during that time having been 47.09 in 1866. The percentage of loss on buildings to amount insured was 4.81, and on contents to amount insured, 17.55. The largest fire of the year was April 22, when the insurance loss amounted to \$539,412.

## Digest of Recent Insurance Decisions.

### FIRE.

**VERBAL COVER.**—*Dowie v. Colonial Mutual Fire Ins. Co. Ltd.*; S. C. of Adelaide, N. Z., July 16, 1886.—Plaintiff applied for £1,000 insurance on boot and shoestock for one year, on December 21st, and on January 3d following the stock was destroyed by fire. No premium was paid and no policy was delivered. Plaintiff alleged that he was ready and willing to pay the premium. Defendant company admitted the receipt of the proposal, but denied any verbal acceptance of it, or any verbal agreement to protect the stock from date of application to date of acceptance or rejection. Company's agent testified that the head clerk made such verbal agreement for the time pending the disposition of the proposal. The court thought that the fact that the company's officer asked the agent to leave the proposal, and thus presented the insurance in another office, might amount to a consideration. The Attorney-General pointed out that both parties agreed that the risk would have been covered if it had been asked for, and that it was a proper interim risk to cover. The company had been carrying a policy on the same risk (including machinery) for the same amount, and the application was merely for a readjustment, the machinery to be insured wholly in another company. The new risk was superior to the old. Judgment for the plaintiff.

### MARINE.

**WAGERING POLICY.**—*Berridge v. Man On Marine Ins. Co., Ltd.*; Eng. H. C. J., July 5, 1886.—Defendant was sued for £1,250 upon an insurance policy. Action for a constructive total loss. Defendant company admitted that the vessel became a total loss, but set up the defense that the policy contained a clause "full interest admitted," which, it was alleged, was contrary to an act of Parliament as a "wagering" policy. The "learned judge" decided for the defendant company, and an appeal was taken.

**INSURANCE OF PROFIT.**—*Gray, Barron &*

*Co. v. Gaviller*; Eng. H. C. J., July 6, 1886. Plaintiffs (London fruit merchants) contracted with a firm in the Persian Gulf for 25,000 boxes of dates of a particular brand, the sellers agreeing to ship no more of these dates to London or America during the season. Plaintiffs therefore controlled the market. Policy sued upon was a running one upon any goods or merchandise shipped from time to time, provided the same was declared. The amount of the policy was £1,000, and the subject of the insurance "profit on fruit." The profit was to be calculated at 40s. per ton. About 16,000 boxes or 380 tons of the dates were lost. Plaintiffs claimed £760. The answer was that the plaintiffs would have made no profit on these dates had they arrived safely, as the market was drooping, and the price (18s. per cwt.) would have left no margin for profit. The Queen's counselor said the defendant contended that there had been no loss by perils of the sea. If the jury found that the plaintiffs might have made only a farthing profit, then defendant was liable. One of the plaintiffs gave numerous instances of sales in excess of 18s. per cwt., but the court pointed out that this was not evidence of any profit in respect of these sales. The underwriters interested finally agreed to pay £380, or half the loss claimed.

#### LIFE.

INTOXICATING LIQUOR CLAUSE.—OCCUPATION.—FALSE ANSWERS.—*Dwight v. Germania Life Ins. Co.*; N. Y. C. of A., Oct. 1886. —Insured stated that he was a real estate and grain dealer, and was not engaged in the sale of beer, wine or other intoxicating liquors. Proved that he kept a hotel, paid liquor licenses, and sold wines, etc., to his guests. The lower court left it to the jury to say whether such sales were sales within the meaning of the policy. *Held*, That the lower court erred, no question arising upon the evidence which authorized its reference to the jury. If there was any room for doubt in respect to the true meaning and intent of the inquiry answered by the deceased, it presented a question of law for the court to determine, and

not one for the jury (*Lomer v. Meeker*, 25 N. Y., 361; *Glacius v. Black*, 67 N. Y., 563). But we are of the opinion that no such doubt existed in the case. The contract was in writing, subscribed by the parties, and they expressed their agreement in clear, unambiguous and intelligible language. Its import and meaning was not obscured by any reference to the situation and circumstances surrounding the transactions, or by the consideration of other parts of the same instrument. On the contrary, an examination of the context and associated questions make more certain and definite its object and intent. The assured had been previously interrogated as to his general business and employment, and it is to be assumed had given such answers in respect thereto as satisfied the object of the inquirer. He was then specially requested to state whether he was then, or had been, engaged in or connected with the manufacture or sale of any beer, wine or other intoxicating liquors. The information called for was made material, not only by the express agreement of the parties, but also by the object for which it was required, plainly apparent from the nature of the transaction.

The question called for no opinion, and was capable of a precise, definite and categorical answer. It was intentionally framed in broad and comprehensive terms, apparently to avoid any evasion of its object, but was nevertheless expressed in clear and unambiguous language. If an intention to inquire concerning the conduct of the regular or principal business of the assured, could be implied from the use of the word "engaged," an idea that such was the only meaning of the question was negatived by the further words, or connected with the manufacture or sale of any beer, etc., which pointed unmistakably to every transaction of the kind described, however limited its character, or remote his connection with it might have been.

The motive prompting the question was reasonable, natural and proper, apparent even to the most careless reader. The inquiry could not have referred to the general business employment of the insured, because inquiries on that subject had previ-



ously been exhausted and the question had no office to perform in that respect. It carried upon its face the object which the insurer had in asking it, and required an answer as to whether the applicant was, or had been engaged in or connected with the manufacture or sale of liquors, etc., not in a limited or restricted capacity or employment, but in any and every way in which such acts could have been performed.

The question itself assumes that persons engaged in or connected with the manufacture or sale of liquors in any manner, were more hazardous subjects for insurance than those occupied in more reputable employments, and that the insurer would regard such employment as an objection to the proposed contract.

The extent to which the employment affected the character of the applicant, or his value as a risk was a question solely for the insurer. The defendant had a right to a full and frank disclosure of any and all facts bearing upon the subject, and this confessedly it did not obtain.

It was misinformed as to the precise fact which had been agreed upon as a fact material for it to know in determining the propriety of entering into the proposed contract and by the party who had assented to the proposition that such information should invalidate any contract made. If the fair import of the language used indicates that the interrogator intended to include within its scope and meaning single transactions or incidental occupations, neither courts nor juries have authority to say that such transactions may properly be disregarded in the answer made. The defendant must be deemed to have meant what it said and its express language embraces all transactions, and its express contract has made every transaction of the kind referred to material to the risk.

The legal effect of this contract can be avoided only by making a new one for the parties or denying any significance to language. We are unable to see any ground upon which the ruling of the trial court can be supported.

The trial court assumed the existence of an ambiguity and referred the legal ques-

tions involved in the construction of the contract to the jury for their speculations. The logical effect of such a disposition was the holding that contracts expressed in the same language and executed under the same circumstances might legally be held valid in one locality, and invalid in another, according to the capricious and often conflicting opinions of juries. The theory upon which the trial court submitted the case to the jury is implied from the circumstances pointed out in the charge for its consideration. Its attention was directed to the fact that Dwight kept no bar and did not sell liquor to people generally, but only to his guests and as an incident to the business of keeping a hotel, and from these facts it was impliedly advised that it was authorized to find upon this question for the plaintiff. In other words, the jury was instructed that because the assured had not been engaged in or connected with the manufacture or sale of liquor, etc., in a particular way, that he could truthfully represent that he had not been connected with it in any way, and if he did not sell to everybody without limitation or exception, that he was justified in replying to the question that he did not sell to anyone. The fallacy of such a charge is too plain for argument.

The defendant was further prejudiced before the jury by the reference in the charge to the claim made by the plaintiff that the question was incapable of a truthful affirmative or negative answer, for it was said if he had answered it affirmatively it would have been an admission of his connection with the manufacture of liquor which concededly was not true, and it was implied therefrom that his only safe answer was a negative one. This circumstance was pointed out to the jury as having a bearing upon the question, and it was impliedly authorized to find that the question was equivocal because not capable of a direct and positive answer. The reference was obviously misleading and erroneous, for the interrogatory being in the affirmative, could truthfully have been answered in the negative only in case the assured had been engaged in neither of the occupations re-

ferréd to, and would have been answered truthfully in the affirmative if he had been connected with either.

This error was further aggravated by the refusal of the Court upon request to charge that the question could be truthfully answered in the affirmative if he had been connected with the sale of liquor. This refusal was clearly erroneous, and the exception taken thereto was well taken.

We are, for the reasons stated, of the opinion that, upon this branch, the case presented no question for the jury, and the court erred in denying the motion for a nonsuit. (*Lomer v. Meekes*, 25 N. Y., 361; *Appleby v. Astor Fire Ins. Co.*, *supra*; *Glacius v. Black*, *supra*.)

We are also of the opinion that the answers of the assured to the questions relating to his business and occupation were evasive and untrue, and upon the whole evidence required the dismissal of the complaint. There was not only an absence of satisfactory evidence in the case that he had ever been engaged in the business of a real estate or grain dealer for himself in the ordinary acceptance of these terms, but such an occupation was negatived by his repeated sworn declarations to the contrary, and the proof of circumstances of the most convincing character. The evidence upon these questions is substantially all to the same effect, and presents a case so preponderating in character that a verdict against it could not be allowed to stand. The case, therefore, presented a question of law as to whether the business engaged in by the deceased constituted him a dealer in real estate and grain within the ordinary meaning of those terms.

It was clearly the duty of the trial court to have directed a verdict for the defendant.

INTEMPERANCE — CHANGE OF HABITS.—*Boyce v. Phoenix Mutual Life Ins. Co*; *Montreal C. of A.*—The policy provided that it should become void if the habits of the insured should become so far different as to increase the risk on his life. He declared in his application that he was of temperate habits and not addicted to the use of spirit-

nous or malt liquors. It was proved that insured had changed his habits in this respect, in violation of the conditions imposed by the policy. *Held*, That the question is, whether a change of his habits took place which in its nature increased the risk of his dying. The risk may have greatly increased, and yet he may have died of a malady wholly unconnected with intemperance; yet the increase of risk in such case, by the terms of his contract, would have vitiated his policy. An eminent judge, in a case resembling the present, remarked: "It is scarcely possible to imagine intemperance not injurious to health." The majority of the court are of opinion, therefore, that the change in habit is proved to have been such as to increase the risk of the insured dying, and the judgment is accordingly confirmed.

FALSE STATEMENTS IN APPLICATION—DISHONESTY OF AGENTS—RESPONSIBILITY OF COMPANY.—*Fletcher v. New York Life Ins. Co.*; U. S. S. C., October, 1886.—Defendant company issued a policy on the life of Chinonda S. Alford, Dec. 22, 1877. Alford died in less than three years thereafter, of diabetes, a disease with which he was afflicted when he applied for the life insurance. Plaintiff, the executor of deceased, did not deny these facts, but held that the responsibility for the false statements rested with the agents of the company. According to the petition, two St. Louis agents, who knew that Alford had had diabetes, wrote (or appeared to write) the answers as given; and the insured did not deny that he had had any disease of the kidneys, and signed the application without reading it. A rider in the application, printed in red letters, called attention to an abstract of the application, in order that unintentional errors might be corrected.

In the lower court, the United States Circuit Court for the Eastern District of Missouri, the Judge, in his charge to the jury, held that it was competent for any corporation to limit the powers of its agents, if such limitation was made known to the other contracting party; that the company was not bound by any representa-

tions to or by the assured unless put in writing and approved by the principal; that the application was therefore the basis of the contract; but if the jury found that the agents practiced fraud on the assured and the company by inserting false answers and by suppressing the true ones, and by concealing all knowledge of fraud from the assured, plaintiff was not estopped from recovering. A verdict for the face of the policy with interest was returned.

An appeal was taken to the United States Supreme Court. Judge Field reversed the decision of the lower court. It was *Held*, That it was the duty of Alford, the insured, to read the application he signed. It would introduce great uncertainty in all business transactions if a party making written proposals for a contract, with representations to induce its execution, should be allowed to show, after it had been obtained, that he did not know the contents of his proposals, and to enforce it, notwithstanding their falsity as to matters essential to its obligation and validity. Contracts could not be made, or business fairly conducted, if such a rule should prevail; and there is no reason why it should be applied merely to contracts of insurance. There is nothing in their nature which distinguishes them in this particular from others. But here the right is asserted to prove not only that the assured did not make the statements contained in his answers, but that he never read the application, and to recover upon a contract obtained by representations admitted to be false, just as though they were true. If he had read even the printed lines of his application, he would have seen that it stipulated that the rights of the company could in no respect be affected by his verbal statements or by those of its agents, unless the same were reduced to writing and forwarded with his application to the home office. The company, like any other principal, could limit the authority of its agents, and thus bind all parties dealing with them with knowledge of the limitation. It must be presumed that he read the application and was cognizant of the limitations therein expressed.

*Held*, That assuming that the answers of the assured were falsified, as alleged, the fact would be at once disclosed by the copy of the application, annexed to the policy, to which his attention was called. He would have discovered by inspection that a fraud had been perpetrated not only upon himself but upon the company, and it would have been his duty to make the fact known to the company. He could not hold the policy without approving the action of the agents, and thus becoming a participant in the fraud committed. The retention of the policy was an approval of the application and of its statements. The consequence of this approval cannot after his death, be avoided. The court charged the jury that, if the assured had discovered the fraud before the policy was delivered and the first premium paid, it would have been his duty to decline to go any further with the transaction; but if he did not discover the fraud until after such delivery and payment, he was not called upon to take any steps for the cancellation of the contract. In other words, the jury were told that the assured might take to himself the benefit of the fraud without any responsibility for it, if he did not discover it until after it was consummated, a doctrine without authority and wholly indefensible.

The New England Insurance Exchange recommends that the following form be approved, in granting permits for the use of gasoline stoves, and also fixes a schedule of extra rates for such permission: "In consideration of \$—, extra premium, permission is hereby given for the use of one gasoline stove, it being warranted by the assured that the reservoir thereof shall be filled by daylight only, when the stove is not in use; that no fire-blaze or artificial light shall be permitted in the room where and when such reservoir is being filled, that no gasoline, except such as is contained in said reservoir, shall be kept within the building; and that not more than five gallons, which shall be contained in an entirely closed metallic can, free from leak, shall be kept on the premises connected with said building."



### Socrates' Life Insurance.

The friends of Socrates were assembled around the venerable Athenian as he was about to die. The poison had been brewed, and uncommon strong it was, too, for Socrates had expressed a wish that as he had been condemned to death the manner of his departure might be arranged to be as speedy as possible.

"It's rather a delicate subject, old fellow," said Plato, "but how are you going to leave your family fixed? You haven't saved up much of anything, you know."

"That's all right," replied Socrates, "I've got considerable life insurance, and they will get enough to keep them perhaps better than I have always done. Sometimes when nagged a little extra by Xantippe, I have thought of letting the policies lapse, but I didn't do it. She is a woman of spirit, to be sure, but to have a husband who is an out-and-out philosopher is enough to irritate almost any wife, and as I look back at things I cannot blame her for having been a little animated in conversation. Then there are the boys, too. Of course, I couldn't think of leaving them nothing, so I'm very glad I kept up my insurance."

Here a rather fresh young disciple who had only recently contrived to get himself enrolled among Socrates' followers, and who had been free with his "opinions" on every subject discussed, said: "That's right. It's a good thing to keep one's assessment paid."

"I do not quite understand you," said Socrates. "I was speaking of life insurance, not of taxes or mining stock, which are subject to 'assessment' till you can't rest. There are regular premiums but no 'assessments' in life insurance."

"O yes, there are," answered the neophyte. "We are assessed in my association every time a member dies. I've been in it a year. We only had two deaths that year, so you see there will be just eighty deaths in forty years, and I can figure out exactly what it would cost me if I live as long as that."

"That ought to be cheap enough," replied the sage. "What's the name of the company?"

"It's the Mutual Preserve Fund," answered the young man; "and there are lots of others just as good. Oh! you bet your life I'm up on insurance. I go in for it at cost. I'm down on the high-priced old-liners."

"I do not just get the drift of your remarks," said Socrates. "I have been insured in standard companies ever since I was a young man, younger, in fact, than yourself. The companies insured me at a rate exactly proportionate to my age. They have continued to grow in magnitude and the power to do good all this time. Meanwhile my premiums have grown smaller continually by reason of dividends applied in payment, until of late years they have been almost nominal."

Plato here remarked: "I know the kind of association our young friend refers to. I was roped into one some time ago. We beat his record the first year, for nobody died. I suppose he would have figured on that basis that there would never be any deaths. But there were, just the same, and in a few years, as the members grew older, assessments came in so lively as to drive me out. The concern went up some time ago, just as I afterward learned thousands of others like it had done."

"Oh! you are all wrong," chirped in the veally exponent of the new-fangled theory. "You see, we are going to keep getting in 'new blood.' That's the way to make the assessment plan last. Well-managed associations will secure enough fresh members to more than make up for those who die or drop out."

"It would seem as though each new member brought a new responsibility; somebody must meet his death claim in due time," said Socrates. "It appears to me that in life insurance, as in all things else, every man must provide for himself. By the way," he continued, "what are the assets of these associations?"

"They don't have assets," was the reply. "Their assets are in the pockets of the members."

"And do you think that is as good as having them in the keeping of company trustees to meet with certainty all claims as they mature?" asked the philosopher.

"Why not?" said the innocent.

"And you think that the way to conduct the life insurance business is to take the chances of members paying whenever assessed? You think that after you are dead these men are sure to chip in and make the loss good to your family?"

"Of course," was the answer.

"And you think that the experience of years as to the correct principles of life insurance are at fault," continued the sage; "that knowledge, ability, and honorable management are of no account; that reserves are unnecessary, and assets a useless piling up of wealth?"

The unabashed young man nodded a defiant assent.

"My dear Crito," said Socrates, turning to one of his eldest friends, "will you kindly hand me that mug of hemlock? I have lived to see and hear the biggest—fool on earth, and am now quite ready to die." So saying, he blithely tossed down the potion and, with a smile of good-natured contempt at the believer in assessment life insurance, passed away.—*Chicago Times*.

### Northwestern Mutual Life Insurance Company.

#### NEW DIVIDEND SYSTEM.

The Northwestern Mutual Life Insurance Company, of Milwaukee, has recently made a change in the payment of dividends, the new system to go into effect on January 1st. Under the system now in force, a dividend is declared and paid to each participating member upon payment of the third annual premium, and annually thereafter, upon payment of premium and interest due; also two post-mortem dividends in case of death. After January 1st, 1887, the dividend payable five years from the date of each policy will be a "double dividend," that is, it will be composed of two years' surplus, instead of one year's, as at all other periods. All policies dated prior to 1883 will receive double dividends in 1887. All policies over five years old will then have but one post-mortem dividend instead of two, as under the present system. The new dividend system will give greater satisfaction to policyholders.

### New Zealand Underwriting.

Mr. Tait, of the National Insurance Co. of New Zealand, who is chairman of the New Zealand Insurance Companies' Association, at the annual meeting of the Association, held September 9, said, among other things, that it had occurred to him that members did not sufficiently realize the extent of the power wielded by associated effort. Collectively, they had been able to effect reforms which, possibly, individually, they would not have been able to accomplish. Notably, last year, they obtained concurrence of opinion and action in securing specific amounts and a uniform phraseology in a certain interest in which all were concerned. The record of fires and losses had been exceptionally heavy during the past twelve months, approximating probably £55,000 during that period, causing considerable anxiety, and exercising the minds of members on the subject of remedial steps to lessen the scourge. An effort was made to obtain a classification of losses, and it was to be hoped the desirability of furnishing such returns would commend itself to members, and lead to unanimity of action in this direction. Such data would prove valuable and instructive, and furnish ample subject for reflection. An increased volume of premium income was not by any means proof of a successful business. Better to do no business at all than do it at rates that were not remunerative. It was a common fallacy to imagine that a new company starting found it advantageous to make sweeping concessions and reductions. All experience proved that adhesion to a fairly fixed scale, based on experience, paid best in the long run, whilst indiscriminate cutting brought about loss and disaster. Combination paid better than competition. Excessive competition induced over-insurance, followed almost invariably by abnormal loss. A firm and steady adhesion to right principles was the best policy for any office, and departure therefrom would sooner or later inevitably bring retribution.

Canada has assessment plate-glass insurance companies. We shall have to call them plate-passers instead of hat-passers.

### The Editorial Grab-Bag.

#### PARAGRAPHS FROM SUNDRY SOURCES.

A jury in the Supreme Court at Chicago last week rendered a verdict for the defendant in the cases of the German and Home Mutual fire insurance companies against John H. Bani. The suits were brought to recover several thousand dollars, which the companies claimed to have overpaid Bani on the loss by fire of his sausage factory at South Chicago. The suits turned on the value of the burned sausages, and witnesses were produced to show that they were worth the sum represented in the applications for insurance. Henceforth the fire underwriter of this country will be required to add another to his already varied list of accomplishments, and will incur a heavy responsibility if he fails to distinguish accurately between the genuine Frankfurter, imported from Harlem, and the unadulterated North American canine, ground fine and imprisoned within a short section of bovine viscera.—*Standard*.

#### A NEW CO-OPERATIVE TRICK.

The United Brethren Mutual Aid Society of Lebanon, Pa., offers those whom it has reason to think are insurable, the privilege of giving up the membership in the classes where the assessments are very heavy, and, after passing a satisfactory medical examination, to go into a new class composed entirely of the better risks. Of course, this offer is not made until those receiving it have complained very bitterly of the heavy assessments. By this means the best risks are held. The heavy assessments fall on those who, by reason of great age or impaired health, are helpless and in a position where they must lose not only all they have paid, but all hope of providing for their families if they withdraw, and of course they are likely to keep on in spite of the enormously high price of their insurance.—*Weekly Underwriter*.

#### CALENDAR ADVERTISING.

While the companies are considering the ways and means for reducing expenses, we

trust the "calendar fiend" will receive due attention. If there is any mode of advertising that is utterly senseless and entirely useless, it is the poly-chromatic calendar, so much affected by insurance companies. They are costly, generally a violation of every rule of art, an eyesore and a nuisance. They never brought any company a dollar's worth of business and never will. The advertising blotter is another abomination, serving only to extort profanity from those who attempt to use them or to further cumber overflowing waste-baskets. Advertising is unquestionably a good thing, but it needs to be done with good judgment to accomplish the desired end, and such mediums employed as do not offend those whom it is desired to attract. The sums spent upon advertising should be paid to responsible journals that render *quid pro quo*, and not be wasted upon those who care for insurance only for what they can make out of it.—*Speculator*.

#### UNFRATERNAL SPIRIT AMONG LIFE INSURANCE MEN.

If you go among the clubs and social gatherings of this, or any other city, you will find that the merchants, the attorneys, the doctors, and in fact all classes of men are firm friends. I mean that as a rule jealousies do not exist among our business men or among our professional men. A merchant's best friend may be his severest competitor. An attorney may lose his client to the advantage of his next-door neighbor without any impairment of friendship. It is true of all kinds of business, as it should be, but I am sorry to say that life insurance has proved something of an exception. There has not always been the harmony of feeling among agents that should exist. It is undoubtedly annoying at times to have one's plans upset by a rival. It goes without saying that two agents representing each of two equally good and strong companies should not each be talking life insurance to the same man at the same time. It is equally a fact that the agent who first commenced the conversation should be left alone with his work. I do not think it is



honorable for one life insurance agent to interfere with the work of another. I do not say that all companies are of equal merit to-day, but I do say that no one can absolutely read the future and tell what they will be in years to come, and I do say that the work of one life insurance agent is as worthy as that of another. It should only be sufficient for any agent to know that some one else is on the ground for him to withdraw.—*W. W. Byington.*

#### IT GIVES UNDERWRITERS A BAD NAME.

The present system of canvassing by persons of varied and sometimes questionable experience, tact and standing has certainly done much to reduce the status of insurance officers in the minds of the outside public; and although, as I have already stated, life assurance companies are doing a public good in pushing their business, it is, I think, a pity to see the business pushed by such means, and with such want of general discrimination as to cause insurance men as a body, whether managers, inspectors or canvassers (they are all classed alike in the public mind) to be almost shunned when traveling on business outside districts where they are personally known. That the present system has such effect is only too apparent to any insurance inspector, and I myself have often, when on rounds appointing agents and such like, and calling upon say a well-to-do country tradesman, stating that I called from the such-and-such insurance company, been abruptly informed that I could not do any business, as no one there wanted to be worried about life assurance.—*Ridge.*

#### "INTER-INSURANCE."

The system of inter-insurance began about four years since with four large dry goods firms in the City of New York, to wit: H. B. Clafin & Co., James McCreery & Co., Mills & Gibb, and Lee, Tweedy & Co., in which an agreement was formed providing that each firm should take a risk of two thousand dollars on each of the other firm's stocks. These firms did not form a corporation or chartered society or joint stock company, but the several houses above

mentioned issued powers of attorney to an agent authorizing him to execute and deliver policies of two thousand dollars to each member, thus giving to each member six thousand dollars insurance. Subsequently other prominent houses were from time to time admitted to this combination, as the number of members was not limited, and it was not intended at the beginning of the experiment to confine the membership to the dry goods trade. This plan embraces at the present time twenty-eight prominent firms in different cities of the Union—twenty risks are located in the city of New York, four in Philadelphia, one in Providence, one in Boston, one in Cincinnati and one in Kansas City.

#### GOOD FAITH REQUIRED FROM ALL.

Too much importance is placed upon the idle reports as to what our competitors are doing or about to do. The utmost good faith is required in all our associations to accomplish any good; we need the aid of our fellow members, and we can not expect to get that aid unless they have the fullest confidence that we will keep our faith. Agents will be all right and keep faith with each other when they feel that their principals will stand by them when in the right, but not when in the wrong.—*Bennett.*

#### HE "BELONGED" TO A CO-OPERATIVE.

*Jones*—Hello, Johnson! Did you have a good time while you were away?

*Johnson*—You bet I did. My address was lost, and I didn't get a single assessment notice all the time.—*Weekly Statement.*

#### THE AGENCY SYSTEM.

As now existing, it is the machinery of local and special agents and department managers engaged in securing, reporting, examining and classifying the risks of the whole country before finally filed and recorded in the home office, which directs the general policy and handles and invests the capital and profits.

The theory and object of the system is to get as near as possible to a knowledge of the moral and physical hazard of a risk; for it is true in fire as well as life insurance

that a wise and discriminating selection of risks, and close personal contact with the forces that secure a large and profitable patronage, are the life and success of a company. An agency system of a large company of forty to seventy years' growth in this new country, is a plant representing more money and good will than any commercial house, bank or other corporate enterprise; and as an organized beneficence reaches more towns and people than any other business outside the postal service, and its history is the history of the rise and development of this Western country.—*De Camp.*

#### ROOM FOR ALL.

With the great prosperity in our country and rapid increase in wealth, there is business for all, and we need not trouble ourselves about the competition of experimental companies, making a specialty of certain classes of hazards. Many of these experiments will fail and some may succeed, and if the experience of the successful is worth having, we shall get it without cost. Our business is of such a nature that we too often magnify the importance of some new and apparently reckless experiment. Local and even special agents often report that the legitimate companies are about to lose all of their business, and yet at the end of each year nearly all of the companies adhering to fixed rates and proper rules show by their statements a business well maintained or increased, and as a rule, the prudently managed company makes a handsome showing in profits equal to that made by the most successful corporation engaged in other pursuits.—*Bennett.*

#### YOUNG SPECIALS.

The practice of many companies in sending young men into the field to cultivate their interests, with an education received entirely in the general agency office, is not, in my judgment, calculated to contribute to the highest development of the business in its best sense, inasmuch as the education received has not been acquired in the proper school, or the experience gained of the right kind. They can have no sympathy with the multifarious difficulties which beset the

local agent in his endeavors to secure business. They cannot understand the peculiar attitude of the local agent as he stands related on the one side to his company and on the other side to his patrons. Their education, good, possibly, so far as it goes, has been but partial; their experience limited. Having never had experience in the local agency service, no common bond can ever be established between them and the local representatives of other companies.—*Mc. Sween.*

#### SENTIMENT VERSUS CENTS.

The red-headed baby, in your eyes the dearest, sweetest morsel of humanity, is d—d by your neighbor as a squalling nuisance; and the jingling piano, to you a veritable Steinway, is acute torture to his musical ear; you rejoice in the barking of your own cur and pour vials of wrath on the head of the stray canine under your chamber window. Your chairs are the easiest, beds the softest, and tableware perfection; but your precious household belongings so carefully packed for the annual May-day removal are unkindly criticised by the lady over the way and classed as a lot of old rubbish by the families of the new locality. And the picture by a country artist, a safe subject of worship by the most orthodox, for it is not the likeness of anything in the heavens above, nor in the earth beneath, or in the waters under the earth, a gem to you and valued at fifty dollars, might, provided the purchaser was very drunk, bring fifty cents at auction! But remember insurance is purely mercenary. Sentiment has no market value and is not covered by your policy.—*Berne.*

#### AN UNHOLY SANDWICH.

Full insurance makes, when placed between the upper crust of prosperity and the lower crust of adversity, an unholy sandwich. "Lead us not into temptation," saith the prayer of prayers. Full co-insurance is nice and a sweet morsel after the fire has occurred, but if we can so arrange it that there shall be fire and no loss, will that not be far more satisfactory and the salvage greater than any clause

could effect? Now I take the position that full insurance on any class of property (with the exception of property held in fiduciary capacity, or under the control of others than the assured, and where no temptation to even a relaxation of care is offered thereby) is in violation of ethics, good morals, statesmanship, and political economy, and that unless we soon put our house in order it will be put in order for us when the best mind of the country is directed towards the 30 per cent of incendiary fire loss annually (it is my opinion that this per cent. is still greater), and the fact that we have been aiders and abettors thereto.—*W. B. Cornell.*

#### WHAT IT SEEMS AND WHAT IT REALLY IS.

In theory, adjustment of loss is a settlement of account, showing the amount, if any, due under the contract; practically, it is too often a surrender of right and contract, and a mere question of expediency, policy, or prudence, and while insurance is carried on as at present little else can be expected. The insured is coaxed and entreated by the agent to accept a policy, indulged with long credit, and the premium even traded out at his store. Insurance is taken, not with a certain company, for its solvency, honor, or experience, but from Mr. X., agent, member of the church, lodge, or base-ball club affected by the assured; and Mr. X., who usually becomes a counsel for assured in the event of loss, proves a troublesome factor in the settlement. The adjuster is always at a disadvantage; the property is gone, and the assured alone knows its defects, hence the home ruler who rams paving-stones on the public streets can beat the best of us. The building burned is rarely stated to be other than the very best; paint fresh, roof perfect, shingles Star A, plastering under special inspection, flooring smoothed one side, and overlaid with four-inch selected hard wood, twelve inch base boards, with two-inch molding top and bottom; new paper, good enough, by its alleged cost, for use in the treasury department as silver certificates. Not a word of the windows patched with old hats, the falling squares

of plastering, paint scratched, and doors kicked down by fractious children; banisters utilized by the boys for hockey sticks; or the kitchen door bust in by dad when delayed at the lodge.—*J. J. Berne.*

#### ADJUSTING A COUNTRY LOSS.

Have you, O, my suffering brother, tackled a loss on a country store; fire about 2 o'clock A. M., credit sales book and an old ledger saved; all other books, invoices, and inventory burned; Mr. Jones howling over his loss; never had so nice a stock of goods or better prospects, and is utterly ruined—insurance won't pay half the damage; he hands in his memorized statement; agent knows him; knows he had all the goods claimed; Smith, Brown, and Robinson wait to see what the company will do before taking policies; if Jones is satisfied will insure, if not satisfied will hurt his, the agent's, business; country yahoos following you around; it is an event in the dull monotony of their lives; they listen to all you say; watch you at the table, in the office, on the stairs; want to know all about it; why you don't pay; and every man of them aches to be a juror. You who have been there know that the chances are that Jones transfers his policy to his father-in-law; you are garnished by a dozen creditors and elected for an unsatisfactory settlement or a triangular lawsuit fought over your head, at the company's expense.—*J. J. Berne.*

#### A NEW THEORY.

For forty years at least it has been the maxim of both underwriters and firemen that no "vent" must be given to an incipient conflagration in a building; hence the numerous patent devices of automatic hatchways and "closings," intended, as far as possible, to stop all "draughts," and hold the fire in the story of the building where it commenced. It is now Chief Lindsay's opinion, and he acts upon it in all cases, that the way to fight a fire in a large building is to make an opening in the roof at the earliest practicable moment for the escape of the smoke and hot air. He believes that the Lindell Hotel was saved in this way,



and that conspicuous success has attended his method in several notable cases since. Whatever may finally be determined as to the practical truth of this theory, it is certain that immense sums of money have been paid for the destruction of buildings by the explosion of gases, produced during rapid combustion, that had no natural way of escape. We record this new theory of Chief Lindsay's as worthy of consideration, along with other schemes for the reduction of fire losses—always keeping it in mind that general mandatory co-insurance stands foremost and first.—*St. Louis Examiner.*

#### THE REWARD SYSTEM.

The average amount paid cuts but little figure in determining the influence of the system. The National Board has offered very many rewards of \$500 each, and fewer but still many of \$750 each. It's the offer that tempts. And although the board only paid \$250 for the conviction in this State of a poor devil named Homer D. Skinner, yet Governor Cleveland in pardoning him said that he had "no doubt that a deputy sheriff and a disreputable fellow who came to Watkins about that time conspired to create a fire, a culprit, a detection and a conviction, for the purpose of obtaining the reward."—*Insurance.*

#### FULL CO-INSURANCE COMMENDED.

We do not believe a limited co-insurance clause advisable. It compels the assured to carry a certain percentage of insurance and prevents his carrying more than a limited amount, thus making a somewhat complicated contract and one that is very distasteful to the better class of insurers, as has been manifested in the application of what is known as the lumber clause. The average American will always rebel against being treated in so arbitrary a manner as this, and we are of the opinion that such a clause must necessarily be short-lived and soon become obsolete, so far as general use is concerned. It might, however, be used to advantage in special cases or on certain classes of risks, but then it should be the exception, not the rule. The full-co-insurance clause, on the other hand,

is a short, simple contract, easily understood and should commend itself to assured and insurer. It gives the insuring public perfect freedom as to whether they will carry full or partial insurance. If they claim, as many do now, that they prefer to assume a goodly portion of the risk themselves, they can have that privilege without working the least injustice to such companies as continue their policies on the property.—*T. W. Letton.*

#### THE RECORDING AGENCY.

We find in the recording-agency plan a system which despises details in the conduct of an industry which is wholly dependent for good results upon preciseness. We find in it also something which exists in no other country, except our own, which is not in the interest of either stockholder, manager, local agent, or property owner, and which has for its existence but one excuse, namely, greed, which is that part of each of us nearest to the swine.—*I. W. Holman.*

#### Features of the Standard Policy.

We print elsewhere a copy of the New York standard policy, recently adopted by the fire underwriters of that State. Would it not be well for the Pacific Insurance Union to consider a proposition to adopt a uniform or standard policy similar to the New York policy, but adapted to the Pacific Coast? In discussing some of the features of the new policy, the *Chronicle* says: "The standard policy states more plainly than the policy of 1879 did that misrepresentation of material facts by the insured shall render the contract void, as the latter merely cited that the omission to state information material to the risk should render the policy void. The standard policy is liberal to manufacturers in permitting night work until ten o'clock and cessation of work for ten consecutive days. The policy of 1879 was rendered void for any night work or stoppage of work unless otherwise provided. As regards increase of risk the standard policy is much more concise than, but in other respects not different from, its prototype of 1879. Alterations of or re-

pairs to the risk are permitted. The class of substances not permitted to be kept on the premises is not as large as in the policy of 1879. No mention is made in the standard policy of benzine, varnish, burning fluid, chemical oils, nitrate of soda, oily waste, rubber cement, and spirit gas, although the keeping and storing of these articles on the premises was strictly prohibited by the policy of 1879. On the contrary, dynamite and ether are added to the list in the standard policy.'

### Trying to Make Capital Out of It.

The hat-passers are endeavoring to make capital over the "failure" of the Charter Oak Life Ins. Co., which was wrecked years ago by the speculative investments of bad managers, and only recently passed into the hands of receivers. In the meantime the company has done no new business, but has paid claims as they matured, under a special arrangement. Even now, although in the hands of receivers, its policies are worth far more than those of any co-operative. There are still three and a half millions of assets, which sum is about three and a half million times the assets of the average co-operative. If the receivership is in honest hands, a very large percentage of every claim will be paid. Life insurance is not responsible for dishonest receivers nor for defective receivership laws, nor for the dishonest management which wrecked the Charter Oak. It is unfortunate that life insurance must twice sustain distrust engendered in ignorant and prejudiced minds by the failure of the Charter Oak—first when the impairment was discovered years ago, and again when the receivers were appointed to finally dispose of the corpse, after the President had absconded. The hat-passers are making the most of this opportunity (their first in many years) to publish the (alleged) failure of an old-line life company. Let us not begrudge them this cold comfort in the midst of hundreds of failures of co-operatives.

The Mountain City of Chattanooga, Tenn., and the Security of Mobile, Ala., are wildcat fire insurance companies.

### Improvement of the Agency System.

The following is taken from J. M. De Camp's paper, read at the annual meeting of the Fire Underwriters' Association of the Northwest, recently held in Chicago:

Every company has scores of agents, whom they believe upright and true to the best interest of the company; but treating them as a whole, the tendency and result of the system to-day is to make machine agents, who will rake in risks by the swath, leaving to the company the work of selection, inspection and acceptance.

We will now rapidly name five or six means of improving the present agency system, without, however, elaborating any of the suggestions. Of course if an agent is dishonest, no system would make him honest or desirable.

Our first suggestion is, *to restore to the local agent the sense of the individual responsibility.*

To this end there should be a return to the early practice of basing every policy on an application, as a warranty of material facts. We believe this entirely feasible, except in the largest commercial centres, where business methods are rapid, and values in produce fluctuate. We seem afraid to require anything of the assured. We educate in him a contempt for our business by our waiving all safeguards. We have not the "grip" on our risks, and on the assured, that the better class of mutuals have who enforce requirements as a condition precedent to obtaining their policy.

*Second*—As further assisting in personal responsibility we would have less reliance on (if not dispensing altogether with maps,) and *require of the agent that he personally survey every risk and make a diagram on the back of every daily report.*

This would keep off the register many an undesirable risk.

A personal inspection as to construction, occupancy, tidiness, or lack of it, exposure and general character of neighborhood, would not permit an honest agent to submit a risk that did not commend itself to his judgment, or that would not bear his inspection.

If an agent is working for his company's interest, then personal surveys and diagrams, with 15 per cent. are more desirable and profitable than map references with a contingent.

*Third—By insisting on specific and carefully drawn policies, and payment for privileges that are exceptional or hazardous.*

The sharp methods of rival agents, devising printed forms granting every privilege under the known heavens, and suggesting articles contraband or of inflammable combustion, which might not have been deemed safe by the owner—privileges for night work, for vacancy or idleness, for improvements, covering all buildings that are or may be hereafter erected on the premises—breeds a recklessness and demoralization that are shameful, and begets a disrespect for the authority and importance of an insurance document that lowers the tone of the profession.

The sacred privilege of "other insurance," that used to be guarded so jealously, and its omission the foundation of so many lawsuits, is now, in harmony with this rapid age, disposed of as a matter for granted in the printed policy slips, or carelessly abbreviated by initials. "O. I. P." will have as much legal significance and court protection as "C. O. D."

It is an age of abbreviations, we know. The very newspapers can scarcely spell the words in eager type; but we soon "catch on" that "G. O. P." means the "Grand Old Party," and "G. O. M." that "Grand Old Man"—Gladstone.

We are reminded of the story of an ignorant darkey who went before a council of ministers and declared that he had a call to preach. They asked him how he knew. He said he had a vision in which he saw a banner with three strange letters—"G. P. C."—which he said meant "Go Preach Christ." The council sagely shook their heads, and denied him the license, averring that those letters meant "Go Pick Cotton!" "Go Plow Corn!"

May not the familiar letters "O. I. P." on our policy forms pertinently stand for "Other Iniquitous Practices," or "Our Ignorance Paraded?"

We fear the race of good old-fashioned agents—servants of the company—is dying out. A few survive—some of them octogenarians—who carefully eschew printed forms, and faithfully write their policies and daily reports with punctilious neatness and fullness, signing their own name as an attestation of accurate supervision. In their stead is coming the rubber-stamp, type-writing-machine agent, hiding all the delightful points of individuality, as well as dulling the sense of responsibility.

*Fourth—The system can be improved by the special and office examiner occasionally changing places. The examiner, becoming familiar with towns and agents, is enabled to pass on the business more intelligently, having the agent and place (as to width of streets, height and appearance of buildings, fire department, etc.) before his mind, thus avoiding much correspondence and misapprehension.*

Most agents thoughtlessly take it for granted that facts about their place are familiar to the office.

The special, sitting at the desk, would learn many peculiarities and defects of the agents' methods of reporting that would be new to him, and enable him to improve the agents' manner of doing business.

*Fifth—The system can be improved by requiring the specials to register the date of their visits at an agency, and thus avoid disputes as to when he inspected a form of policy on which a subsequent loss has occurred, and unjust criticism made that "he never saw that loose and defective form;" "that it was written since his last visit," etc.*

By registering, an agent is encouraged that his business is receiving attention, and it will check any tendency to put undesirable risks on the books which he thinks the special will criticize.

*Sixth—While the agency system broadens the scope of a company's views and gives the law of average a fine chance to operate, an improvement can be made by a company still further widening its policy, and taking a larger grasp of the general laws of average, keeping pace with the growing wealth and industries of the country.*



Because one State may not have enough distillery or cotton risks to predicate profit is no reason a company should reject such in that State, if there are enough in other States to make a paying class of hazard.

In this connection frequent fluctuating and provoking changes of policy as to classes of hazards is a serious drawback to the steady onward development of a company's business.

Agents need to feel that the policy and scope of the company is fixed, broad and progressive, and not veering, as a weather-cock, at every sign of disaster.

### Insurance of Growing Grain.

Referring to our fire-loss reports, we find the following losses reported in growing grain and "grain in the field":

	No. Fires.	Insurance Paid.
June.....	21	\$21,964
July.....	36	27,956
August.....	12	23,445
September.....	4	2,206
Total.....	73	\$74,671

To the foregoing aggregate we may add five or six thousand dollars for the small unreported losses, swelling the total to about \$80,000. Last year only eleven grain-field fires were reported, with a total loss of about \$13,000. These figures indicate a large growth of business; for the aggregate grain-field fires this summer, in number and destructiveness, have been no greater than—perhaps not so great as—in the summer of 1885. The insurance of growing grain has so largely increased as to include so many more normal losses. The premium income from this variety of underwriting in this field, this year, has been \$250,000 or more. The expenses of this business are high, it is true, as the season is short and the employment of skillful men is necessary; but the losses, including \$5,000 for seven harvesters, allow a large margin for profit, in the aggregate, after paying the most liberal expenses.

The business is growing, however, and must eventually include some or all of the extraordinary losses which occur every

year or two. The agencies now engaged in the insurance of growing grain in this field have secured the experience which will enable them to handle the business with safety and profit, where the inexperienced would write on such risks at a great disadvantage and, possibly, at a considerable loss.

The insurance of growing grain is peculiar to this coast. Our climate not only favors the business, but creates a legitimate demand for such insurance. In the East, beating rains, heavy winds and hail storms, chinch bugs and rust damage or destroy crops at such short notice that insurance would only invite wholesale incendiarism, and, probably, no possible premium income upon grain insurance would even pay the losses. On the Pacific Coast our grain-growers are beset with no such ills. There are no rains in the summer, no chinch bugs, few destructive winds, etc. Reasonably correct estimates of the grain yield can be made, and the insurance being limited, the temptation of incendiarism exists only in exceptional cases.

So long as the moral hazard is comparatively *nil*, the insurance of growing grain ought to be profitable. The dryness of the climate and extent of the grain fields—covering thousands of acres—are the main elements of the risk; but the interests of the entire farming community are identical with the insurance companies in the prevention of fires, and therefore the utmost carefulness prevails. Profitable growing-grain insurance really depends upon the absence of the moral hazard. There will be few grain-field fires so long as San Francisco is a better market than the underwriters' for grain.

In a pamphlet of statistics of American water-works it is stated that there are in this country 1,008 cities and towns supplied with a water-works system. Of these nearly one-half are owned by the municipalities, and 500 by private corporations. In about 200 hundred cases the system is arranged so as to pump the water directly into the mains, which gives the best satisfaction where the supply will admit it.

### Liability of Members of Co-Operatives.

Some time ago suit was instituted against nearly five hundred San Francisco members of the defunct Order of Mutual Companions for the recovery of \$1.95 and costs, from each, or a total of four or five dollars from each person sued. Justice Stafford, before whom the case was brought, has entered judgment against many of the five hundred thus sued, and a corresponding judgment will doubtless follow in each instance. The suit is merely the beginning of a series of suits by claimants against the Mutual Companions. The judgment obtained in this case establishes the liability of members of co-operatives for all deaths occurring during their membership—a liability which they cannot escape by any failure to pay assessments, nor by any forfeiture of their own rights. The present suit was undertaken without aid or encouragement from the life companies; it was undertaken solely in the interest of claimants who perceived that the law was plainly upon their side, and the issue doubtful only where the defendant had no property.

In the trial of these cases further liability of members of co-operatives may be developed. It is not impossible, certainly not unreasonable, that so long as a benevolent order or business association transacting an insurance business continues to maintain its organization, every member, although he may withdraw and forfeit his own rights and claim, is liable for all claims of members who were members and consequently partners at the time of his withdrawal. In *Derby v. Stearns*, 64 Cal., 288, Judge McKins-try says: "From the moment a debt is created by a corporation, each of the then stockholders becomes primarily liable for his proportion of such debt." In other words, from the moment a debt is created by an assessment insurance society, each of the then members becomes primarily liable for his proportion of such debt. The debt is created when the contract of mutual insurance is made, not when the debt is payable by death; and so long as the insured executes his part of the contract, by paying assessments, the delinquent members are liable

in law and equity, and cannot evade their liability by any failure to perform their part of the contract, *i. e.*, by any failure to pay assessments. This is common sense. Forfeiture of policy, in life and fire insurance, is no defence against liability on a note; and such forfeiture of policy in assessment insurance cannot be accepted as a defense against a liability assumed in the contract of membership and recognized by the payment of an assessment. It is clear enough that the member of every fraternal and business co-operative is liable not only for all claims maturing by deaths occurring during his membership, although the assessments are made subsequent to his withdrawal, but the withdrawn member is also liable for all claims maturing by the death of any member who was a member and therefore a partner at the time of his withdrawal. We believe that the courts will so rule whenever the opportunity is given them.

### Fine Art Lying.

*Our Society Journal* is the personal organ of the President of the Mutual Reserve Fund Life Association of New York. The offices of the paper and the hat-passer are in the same building. When one moved the other moved. The organ advocates assessment insurance in general and the Mutual Reserve Fund and its President in particular. No praise of an obsequious country newspaper in exchange for the association's "ads" is too fulsome for the columns of the organ, and its editor or manager unblushingly copies and credits to metropolitan journals paid "ads" puffing the President of the association. This much by way of prelude to this paragraph from the said organ of the association:

"The Northwestern Mutual Life Insurance Co., of Milwaukee, Wis., from 1868 to 1885, inclusive, received \$67,263,468, and paid in death losses \$11,574,687. How does it account for the \$55,688,871 remainder?"

We should not trust a nickel within the reach of the man who wrote that paragraph, or the man, manager or President, who endorsed it—by permitting its publication. The intention of the writer and

publisher is to deceive—to create the impression that the sum “not accounted for” was swallowed by extraordinary expenses and absorbed by dishonest managers. The figures given are wrong, for which error there is less excuse than for the lie involved in the intimation that all but the death losses were absorbed by the company.

The Northwestern Mutual Life Insurance Co. was organized in November, 1858; and from 1858 (not 1868) to 1885, inclusive, it received \$52,422,966 from its policy-holders. In this time it paid \$13,232,000 in death claims, and \$23,490,337 for dividends, matured endowments, and surrendered and lapsed policies. The writer in the Mutual Reserve Fund's paper certainly knew that life companies pay (besides death losses) dividends and endowments and pay for surrendered policies; but he designed to deceive. He would have his readers believe that the Northwestern Mutual returned less than \$12,000,000 to its policy-holders, when in fact it returned \$36,772,337, and holds in trust \$24,265,257 assets for them, an excess of \$8,614,628 over premium receipts.

We cite this case as a sample exhibition of co-operative mendacity. We have seen such paragraphs before in the Mutual Reserve Fund's paper, and we do not hesitate to say that any company or association employing such dishonest methods is itself dishonest. The figures of the Northwestern Mutual Life which we give will serve as a type of genuine life insurance as furnished by all the old-line companies. They all pay their expenses out of the interest receipts, and have besides, yearly, a considerable sum left from that source, to be credited to the policy-holders' account.

Insurance Commissioner Maxwell of the New York Department says: “The Fidelity and Casualty Co. has always paid its losses honorably. On July 1, at the request of the officers of the company, an examination was made. It showed the capital unimpaired and a surplus of \$24,000. Commissioner Tarbox made the surplus \$26,000. The Massachusetts report is somewhat in the nature of an attempt to discredit a New York company in favor of Massachusetts.”

## Two Important Life Decisions.

In our legal department this month we print extended abstracts of two important life insurance decisions: one, in the Dwight case, is by the New York Court of Appeals, and the other, in the Fletcher or Alford case, is by the United States Supreme Court. The Fletcher suit was for the recovery of the amount of a policy on the life of a man who had diabetes when he made the application and had had the disease before. He did not deny the fact, but the local agents or solicitors, who filled out the application, misstated the facts for the sake of a commission. The executor of the insured sued the company and recover judgment in a United States Circuit Court, but the Supreme Court reversed the decision. It was claimed by the plaintiff that the insured did not read the application before signing it, and therefore that he was not a party to the fraud practiced by the company's agents; that the said agents knew that the applicant had had diabetes; and that the company was responsible for their action. The plaintiff's position was manifestly untenable in law and equity, but the jury in the Circuit Court, under instructions, returned a verdict against the company. The Supreme Court held that the insured, having signed the application, was responsible for its contents; that he should have read it; and, further, that having retained a copy of the application (included in the policy) in his possession, without asking for a correction of the misstatements, he was a party to the fraud practiced by the agents. It would, indeed, be a curious travesty of justice if an insurance contract should be an exception to the law that makes a man responsible for the contents of any paper which he may sign, whether read or not.

Last year the French fire insurance companies incurred 53.79 per cent. losses, paid 24.09 per cent. commissions, and 11 per cent. expenses, leaving a profit of 11.12 per cent. The cost of the business was 35.09 per cent. of the premiums. In the United States it was 35.82 per cent.]



## Central Department of the California Insurance Company.

### RESIGNATION OF MANAGER IRETON OF THE EASTERN DEPARTMENT.

During President Bromwell's recent visit to the "States" important changes have been made relative to the future handling of the Eastern business of the California Ins. Co. Manager Ireton, who for the past six years has had charge of the Eastern agency department, with headquarters at Cincinnati, has handed in his resignation.

The Eastern department has been reorganized and will hereafter be styled the Central department, with headquarters at Cincinnati as heretofore. The department will embrace the States of Ohio, Indiana, Kentucky, Illinois, Michigan, Wisconsin, Minnesota, Nebraska, Iowa and Missouri. Messrs. W. N. Bament and E. W. Burnet will be the general superintendents, and will be in charge of the department office at Cincinnati.

The Board of Directors of the California in accepting the resignation of Manager Ireton, passed highly complimentary resolutions, acknowledging his past valuable services to the company and regretting that circumstances were such that his connection with the company had to be severed. Following is the correspondence:

CINCINNATI, O., October 7th, 1886.

To the Board of Directors California Insurance Co.,  
San Francisco, Cal.:

GENTLEMEN—Your appointment of the undersigned as General Agent for all territory east of the Rocky Mountains, and dated September 1st, 1881, I desire to resign, and ask to be relieved of the trust by November 1st next.

Permit me to acknowledge the uniform kindness and encouragement received from the members of your Board, as having materially lessened my labors in your behalf, during past five years in this distant field. I heartily indulge the hope that continued success and prosperity may for all time attend the company and its Board of Directors, individually and collectively.

I am, gentlemen,

Your obedient servant,

E. L. IRETON,  
Gen'l Agent.

OFFICE OF THE CALIFORNIA INSURANCE CO.,  
San Francisco, October 18th, 1886. }

E. L. Ireton, Esq., Gen'l Agent, Cincinnati, O.:

MY DEAR SIR—I beg to acknowledge receipt of

yours of 7th inst., tendering your resignation as General Agent of our Eastern Department, to take effect on the 1st prox.

At the monthly meeting of our Board of Directors, held on 15th inst., your resignation was duly presented and accepted.

In view of your past valuable and appreciated services rendered this company, the Board expressed through certain resolutions their regrets at parting with such an efficient and trustworthy servant; they likewise extend to you their best wishes for your continued success and prosperity.

Wishing you personally, my dear sir, every future success, beg to remain,

Yours, very truly,

W. H. C. FOWLER,  
Secretary.

### A Sharp Adjustment.

As illustrating sharp adjustment methods, E. W. Lyman relates the following story: "Not many years ago a German farmer in a western State obtained a policy, covering his growing crop of wheat against hail. When the grain was nearly ripe, a storm came and destroyed the crop. The company was notified. An adjuster appeared and proceeded to analyze the matter, and reached a conclusion exceedingly unique, if not satisfactory to the claimant. He stated the case thus: The care of the grain until ripe was worth a certain sum per bushel, to harvest it another sum, taking it to market still another, making in all seventy cents a bushel. The market price was then sixty-five cents per bushel. After placing his figures in a formal array before the Teuton, he proceeded to oil him, preparatory to swallowing him whole. He showed the claimant that as a matter of fact he really owed the company five cents per bushel for the estimated crop, but being magnanimous, he proposed as a compromise, to take the policy off his hands without any consideration further than the expense of the adjuster in settling the loss. When the farmer heard the proposition and fully comprehended it, he exclaimed: 'Vell, dot insurance was a kweer dink. Yo bays to git him, and den yo bays to lose him.'"

The Insurance Journalists' Association took their annual square meal at Delmonico's last month.

### New York Dwelling Rates.

The craze for "getting the business on the books at any price;" is in full blast at this time. If the fool-killer should happen around he would find numerous victims all ready for the axe in some of the largest offices. They have been loading up dwellings in New York and Brooklyn at twenty cents for five years in anticipation of obtaining, in the year of grace 1891, eighteen cents per annum. A household furniture risk was written on the 20th ult. at twenty cents for three years on a dwelling adjoining a large horse-car stable. The latter pays one twenty-five per year and as clearly exposes the dwelling as if there was a direct flue from one to the other. While these cases are numerous, they are eclipsed by writings on buildings used for special hazards at fifty cents for three years. The stocks in the same buildings pay one and three-quarters per annum. Yet this sort of underwriting is regarded in some quarters as smart and enterprising. Nothing like "getting risks," you know, except "paying losses;" but then the latter, as was explained by an application clerk one day, belongs to a different department.—*Monitor*.

### A Compact Explained.

The Metropolitan Compact of New York takes the public into its confidence in this candid fashion:

"Under the pressure of a demoralized competition, it has not heretofore been possible for the fire underwriters in this district always to adjust their rates in an equitable manner. Some policyholders have been insured far below cost, others at too high a rate. As far as practicable the Association will prepare and apply a system of schedule ratings by which each risk will receive any benefit to which it is fairly entitled by reason of superior construction, care in management or facilities for extinguishing fires. Improvements made to buildings will be recognized by a proper reduction in rate, and it is fully believed that this encouragement to property-owners will both improve the character of new buildings as fire risks and render those previously built less hazardous as to themselves and their surroundings. Reductions will also be made for the introduction of approved automatic and other appliances for detecting or extinguishing fires. The Association also proposes to reduce the expenses of conducting the

business. By the payment of a uniform low rate of brokerage, it is the aim of the Association to so reduce the expense of conducting the business that rates may be made satisfactory without a reduction of the premium by rebate. It is firmly believed by the Association that such reduction in expenditures will, in addition to the change in the system of ratings, soon enable it to give the insured a schedule of rates that will secure to policyholders all of the desirable features claimed for the purely mutual system without its liabilities."

### Current Items.

The American Fire Insurance Co. of Philadelphia now has \$500,000 paid up capital, \$100,000 having been paid in recently.

The Alabama Gold Life Ins. Co. of Mobile, Ala., made an assignment last month. The company was organized in 1868, but has done little new business for many years. It never had a million assets in its most prosperous days. The present assets are nominal.

The September new business of the United States Life Ins. Co. was 40 per cent. greater than for the same month last year.

The fire underwriters of Lloyds disclaim any intention of competing with American and English companies for risks in this country. Their object, they say, is to participate only in the best class of business after the companies have taken their full lines. At the present time there are several disputed American losses, and dissatisfaction is general among agents and claimants.

Seltz, a druggist in Paducah, Ky., who was insured in the Fireman's Fund and the North British, burned out several months ago, and made an excessive claim. The companies declined to pay, and were sued. At the trial Seltz exhibited an inventory, which he swore to have made a few days before the fire. A witness testified, in rebuttal, that he had made the inventory shown by Seltz eighteen months before the fire, using, however, only one side of the account sheets; that these papers had been filled up on the blank sides, and that his

footings had been altered. A verdict for the company was promptly returned by the jury. Seltz is in jail, charged with perjury.

During the past thirty years there have been in New York city 249 fires of \$50,000 loss or more each. The average loss per fire was \$167,575. Of these big fires, 103 were merchandise, with an average loss of \$236,117; 26 were bookbinderies, "printeries," etc., with an average loss of \$108,109; and 25 were "woodworkeries," with an average loss of \$108,752.

Serious loss at a recent fire in New Orleans was caused by iron shutters which greatly delayed the firemen. A local paper suggests that dynamite be used to open them. The COAST REVIEW urges that the iron shutters on the upper floors be left unlocked, and that iron doors and shutters on the ground floor be perforated sufficiently to disclose the light of a fire inside.

Wm. R. Pitcher has been chosen manager of the Metropolitan Association of Fire Underwriters at a salary of \$7,500 per year.

The Reassurance Company of New York, organized three years ago, has retired after transferring its risks to the United Fire Reinsurance Co. of Manchester.

An insurance institute is to be opened in France. The instruction will occupy two years. Underwriters require no instruction in America.

The British accident insurance companies insert in their policies a clause requiring that notice of an accident be given to the company, in writing, within seven days after its occurrence. Failure to give such notice within seven days invalidates the policy. An American accident insurance company should cross the big pond and give the British accident companies some needed lessons in liberality. The Lancashire and Yorkshire recently successfully resisted several claims because the

claimants did not give the required notice within seven days. The justice of the claims, otherwise, was not denied.

Defaulting appears to be infectious. J. B. McCartney, of Springfield, Ill., and Hooper Harris, of Nashville, Tenn., both life agents, are short in their accounts. The former skipped, and the latter is under arrest.

The assignee of the Washington wildcat, the Anglo-American, found thirty cents in the vault and \$150 in drafts, but he found no officers nor directors. The company claimed over \$600,000 assets, of which one half a million was in government bonds in the vaults of a safety deposit company. The courts forced the deposit company to give the assignee access to the Anglo-American safe. Packages were found labeled with descriptions of the bonds, which aggregated \$420,000, according to the memoranda. The packages were opened and found to contain cancelled Anglo-American policies, and nothing more. The safe was last opened on July 22, 1885. The Anglo-American was one of the biggest insurance frauds ever organized.

Three negroes charged with arson, in Alabama, were taken from jail and hanged by a mob, last month.

Salisbury, Md., has had a million-dollar fire.

The New York Life and the Equitable Life will have office buildings in Vienna on adjoining lots. The building of the former company is in course of erection.

The wholesale druggists, at their recent annual convention at Minneapolis, favored "inter-insurance," as practiced by the wholesale dry goods men. A circular had been issued, proposing the formation of two separate combinations of fifty firms each—those wanting \$50,000 insurance and those wanting \$25,000 insurance, each. From the 200 druggists to whom the circu-



lar was sent only sixteen replied. It was resolved to form a mutual druggists' insurance company. Rates paid to the stock companies were found to range from 1.50 to 2.20.

The Aetna Life Insurance Co. is contesting a \$10,000 claim at Brazil, Ind., on the ground that the insured died from excessive drinking.

Creditors of the Charter Oak Life must present their claims, in writing, before the 1st of July, 1887. Policy claims must include number, name and amount.

The officers of the Kaw Valley Life Insurance Association of Kansas City, Kansas, "skipped by the light of the moon" recently, taking the books and the reserve fund—"reserved for an emergency."

The North German Fire Ins. Co. has entered New Zealand.

It is said that a center-beam in a building in Paris contained a smouldering fire for fifteen years. A fire in the building in 1871 was extinguished. The dining-room ceiling began to sink recently. Investigation by masons disclosed the fact that the center-beam was a mass of ashes in a shell of moist wood.

The National Board of Marine Underwriters has informed the Produce Exchange of New York that its bill of lading and charter party will not be recognized. Under this bill of lading it is proposed to make the underwriters responsible, and not the ship-owner, for the gross carelessness of the servants of the latter.

At the eleventh annual convention of the mutual benefit life associations (business and fraternal) of America there were ninety representatives of the several thousand hat-passers.

A brother of Guiteau the assassin is the statistician of a New York life insurance company.

## FIRES.

In addition to the insurance reported on the Montana cordwood loss, there were other policies in companies reporting to Chicago offices.

October 6, San Francisco, dwelling:  
Home Mutual.....\$250

October 5, San Francisco, cooperage:  
Royal, Norwich Union & Lancashire.....\$249

October 4, San Francisco, frame building:  
Phenix, Brooklyn.....\$175

October 3, San Francisco, frame buildings and contents:  
Citizens.....\$463  
St. Paul.....1,000  
New Orleans.....927

October 29, San Francisco, general merchandise:  
Transatlantic.....\$218  
Sun, New Orleans.....139

October 29, San Francisco, furniture, etc.:  
German, Pa.....\$150

October 17, San Francisco, merchandise in brick building:  
Sun Fire Office.....\$116

October 4, San Francisco, mattress factory:  
Providence-Washington.....\$1,250  
Fire Ins. Ass'n, London.....707

October 8, San Francisco, dwelling:  
Hamburg-Bremen.....\$302

October 8, San Francisco, frame dwelling:  
Fire Ins. Ass'n, London.....\$425

October 7, San Francisco, dwelling:  
Providence-Washington.....\$462

October 8, San Francisco, dwelling:  
Commercial Union.....\$525

October 20, San Francisco, blacksmith shop:  
Southern California.....\$145

October 6, San Francisco, furniture, etc.:  
State Investment.....\$225

October 9, San Francisco, merchandise and brick building:  
South British & National.....\$181  
City of London.....181  
Union, San Francisco.....181  
Helvetia.....181  
London & Provincial.....181  
Transatlantic.....100  
Imperial.....109  
London, Northern & Queen.....327

October 9, San Francisco, general merchandise:

Royal, Norwich Union & Lancashire.....\$472

October 11, San Diego, Cal., frame building and contents:

St. Paul.....\$821

October 26, Corning, Cal., frame building and general merchandise:

Home & Phoenix.....\$140

Anglo-Nevada.....276

October 11, Willows, Cal., blacksmith shop:

Continental.....\$500

October 1, Los Angeles, Cal., furniture:

North German.....\$400

October 13, Stanislaus county, Cal., hay:

Ins. Co. of North America.....\$350

October 6, Nevada City, Cal., frame dwelling:

American, N. J.....\$505

October 1, Los Angeles, Cal., building, etc.:

State Investment.....\$600

October 4, Ferndale, Cal., dwelling:

Agricultural.....\$350

October 22, Marysville, Cal., frame dwelling:

State Investment.....\$293

October 3, San Bernardino, Cal., frame dwelling:

Agricultural.....\$850

October 1, Oakdale, Cal., dwelling:

Home & Phoenix.....\$970

October 4, Linden, Cal., frame saloon:

Phenix, Brooklyn.....\$225

October 1, near Westminster, Cal., hotel and dwellings, etc.:

American, Phila.....\$2,000

Phenix, Brooklyn.....6,219

Total .....\$8,219

October 25, Red Bluff, Cal., blacksmith shop:

Lion.....\$700

October 14, Fresno, Cal., household furniture:

American, Phila.....\$620

October 24, San Jose, Cal., frame dwelling:

State Investment.....\$250

October 9, Sonoma county, Cal., frame dwelling and barn:

South British & National.....\$1,600

October 3, Stanislaus county, Cal., buildings:

State Investment.....\$250

Phenix, Brooklyn.....651

October 1, Los Angeles, Cal., dwelling:

State Investment.....\$300

October 3, Volcano, Cal., frame dwelling, etc.:

Liverpool & London & Globe.....\$450

October 26, San Bernardino county, Cal., apiary:

South British & National.....\$750

October 30, Elmira, Cal., dwelling:

Home & Phoenix.....\$700

October 10, Petaluma, Cal., frame dwelling and furniture:

Liverpool & London & Globe.....\$252

October 18, Yuba county, Cal., barn and dwelling:

Ætna.....\$215

September 29, Tulare, Cal., grain:

Fire Ins. Ass'n, London.....\$1,200

October 14, Los Angeles, Cal., dwelling and contents:

Ætna.....\$250

October 30, Fresno county, Cal., frame dwelling, etc.:

Phenix, Brooklyn.....\$700

October 4, Alameda county, Cal., barn and contents:

Washington.....\$700

Lion.....300

October 30, San Benito, county, Cal., machinery:

Phenix, Brooklyn.....\$490

October 8, near Oroville, Cal., barn:

Lion.....\$309

October 30, Placer county, Cal., building and contents:

Phenix, Brooklyn.....\$330

October 23, Marysville, Cal., dwelling:

Home & Phoenix.....\$962

October 16, Truckee, Cal., dwelling:

Western, Toronto.....\$750

October 8, Moore's Station, frame dwelling, etc.:

Liverpool & London & Globe.....\$570

October 21, San Jose, Cal., dwelling:

Home & Phoenix.....\$650

October 18, San Bernardino, Cal., furniture:

Firemans Fund.....\$200

October 18, San Jose, Cal., saloon fixtures:  
Sun, San Francisco.....\$250

October 27, Santa Cruz, barn and con-  
sents:

Home Mutual.....\$1,090

October 26, Alameda county, Cal., barn:  
Home Mutual.....\$300

September 30, Lancaster, Cal., hotel:  
Southern California.....\$1,250

October 13, Santa Cruz, Cal., private sta-  
ble:

Firemans Fund.....\$250

October 24, Haywards, Cal., furniture:  
Southern California.....\$110

October 5, Red Bluff, Cal., hay:  
Firemans Fund.....\$270

October 25, Red Bluff, Cal., dwelling:  
North British & Mercantile.....\$127

October 24, Los Angeles, Cal., general  
fire:

North British & Mercantile.....\$2,000

Royal, Norwich Union & Lancashire.....2,000

South British & National.....1,000

Liverpool & London & Globe.....5,655

London & Lancashire.....2,125

Caledonian.....925

Manchester.....2,196

Imperial.....261

Commercial Union.....400

London, Northern & Queen.....786

Total.....\$17,348

September 10, Nevada City, Cal., mer-  
chandise:

Commercial, San Francisco.....\$956

October 9, Pleasanton, Cal., dwelling:

Home Mutual.....\$800

October 23, Stockton, Cal., dwelling:

Commercial Union.....\$450

October 7, Sonoma county, Cal., winery:

Connecticut.....\$840

October 27, Tulare county, Cal., hay:

London, Northern & Queen.....\$225

Imperial.....75

October 21, San Jose, Cal., livery stable:

Home & Phoenix.....\$952

Helvetia.....250

Liverpool & London & Globe.....268

September 29, Calaveras county, Cal.,  
frame barn:

Phenix, Brooklyn.....\$314

October 18, Guerneville, Cal., sawmill:

Svea.....\$500

October 5, Centreville, Cal., barn:

Union, S. F.....\$113

September 18, Sacramento county, Cal.,  
farm machinery:

Lion.....\$1,300

October 18, Stanislaus county, Cal.,  
school house:

Phenix, Brooklyn.....\$500

October 12, Willows, Cal., blacksmith  
shop:

German-American.....\$700

North British & Mercantile.....700

October 24, Placer county, Cal., dwell-  
ing:

North British & Mercantile.....\$1,375

October 8, Butte county, Cal., dwelling  
and barn:

State Investment.....\$300

October 16, Santa Cruz, Cal., fruit dryer:  
Oakland Home.....\$675

October 28, Marin county, Cal., frame  
barn:

South British & National.....\$1,500

October 16, Chico, Cal., frame stable:

Liverpool & London & Globe.....\$1,150

October 7, Plumas county, Cal., general  
merchandise and building:

Royal, Norwich Union & Lancashire.....\$3,000

October 16, San Jose, Cal., frame saloon:

Liverpool & London & Globe.....\$400

October 21, Oakland, Cal., dwelling:

Hamburg-Bremen.....\$585

October 24, Quincy, Cal., general fire:

Aetna.....\$3,263

Home & Phoenix.....3,032

Firemans Fund.....690

Hartford.....1,650

Oakland Home.....1,250

Traders.....625

Caledonian.....1,382

Total.....\$11,892

June 3, Red Bluff, Cal., frame dwelling:

Commercial, S. F.....\$150

October 31, Lato, W. T., flour mill:

Phenix, London.....\$2,000

October 9, Arizona, ranch buildings, etc.:

Fire Ins. Ass'n, London.....\$500

October 14, Vancouver, W. T., saloon:

Hamburg-Magdeburg.....\$150

October 18, Union county, Or., frame  
dwelling:

Phenix, Brooklyn.....\$1,959

October 10, Helena, M. T., household  
furniture:

Howard.....\$200



October 7, near Butte, M. T., cordwood:	
Phoenix, London.....	\$5,000
Lion.....	2,500
Imperial.....	2,500
Boston Underwriters.....	1,250
Anglo-Nevada.....	2,500
Hartford.....	2,500
Commercial, S. F.....	2,500
City of London.....	5,000
South British & National.....	5,000
Washington.....	2,500
National, Ireland.....	2,500
Union, S. F.....	2,500
Sun, S. F.....	1,250
Williamsburg City.....	1,250
Michigan.....	1,250
Clinton.....	1,250
Howard.....	2,000

Total.....\$13,250

October 16, Salt Lake, Utah, saloon:

Home & Phoenix.....	\$1,000
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October 15, Winnemucca, Nev., boarding house:

Firemans Fund.....	\$115
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October 13, Miles City, M. T., furniture in dwelling:

Firemans Fund.....	\$500
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September 23, Portland, Or., woodenware factory:

Hartford.....	\$3,000
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October 15, Stockton, Utah, general fire:

Hamburg-Magdeburg.....	\$166
Westchester.....	145
Prussian National.....	1,650

August 6, Phoenix, A. T., merchandise:

Commercial, San Francisco.....	\$482
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October 30, Wasco county, Or., frame dwelling:

Phoenix, Brooklyn.....	\$500
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October 8, Spokane Falls, W. T., merchandise:

Washington.....	\$250
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September 30, Yellowstone county, M. T., dwelling:

California.....	\$300
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October 12, Billings, M. T., livery stable and general merchandise:

Norwich Union.....	\$1,000
Teutonia.....	592

October 18, Missoula, M. T., dwelling:

Sun, San Francisco.....	\$500
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October 4, Baker City, Or., general merchandise:

North British & Mercantile.....	\$500
German American.....	500

October 31, Dayton, W. T., general fire:

Etna.....	\$3,100
North British & Mercantile.....	750
Hartford.....	1,500
German-American.....	600
Home Mutual.....	200

Total.....\$6,150

October 25, East Portland, Or., dwelling:

London, Northern & Queen.....	\$272
Imperial.....	93

October 27, Dayton, W. T., contents of dwelling:

Hartford.....	\$1,000
Etna.....	890

Grand Total.....\$156,600

## CHIPS.

—The race is not always to the Swift.

—L. L. Bromwell will arrive in this city from his Eastern trip about the 13th inst.

—Specially low rates prevailed in New York City just before the new compact went into effect, it is said.

—Atlanta, Ga., is to have a \$200,000 fire insurance company to be called the Autsell. That is an original name, anyway.

—We use the scissors freely this month, and are enabled to present our readers with a better number than usual.

—The Pacific Coast losses of one company in October of last year were \$19,000. This year the October losses were nothing.

—Under the head of "Current Items" we print a summary of general insurance news gathered from various sources.

—Manager Hawes of the New York Life returned a few days ago from a visit to New York. Col. Hawes reports life insurance business in the East in a prosperous condition generally, and the business of the New York Life particularly so.

—The regular monthly meeting of the Fire Underwriters' Association of the Pacific will be held in this city Monday, November 15, when matters of importance will be discussed—among which will be some proposed amendments to the constitution. A full attendance is desired.

—Chas. D. Lakey, of *Insurance*, is about to issue a book on the sure road to success in life insurance canvassing.

—W. D. Meares, manager of the Union Ins. Co. of Christchurch, New Zealand, is visiting the agencies of his company in Texas and Colorado.

—New Orleans fire underwriters think they need a board. Indeed they do; and its first work should be to obtain good insurance legislation, which will kill wildcats "a-bornin'."

—*Insurance* thinks that the average reward (\$131.50) paid by the National Board of Fire Underwriters "cuts no figure" in the controversy over the merits of the reward system. We differ from our contemporary, for the reason that the average reward is so low, that few smaller rewards could have been paid, and therefore few larger rewards could have been paid—so few, in fact, that the evils therefrom are hardly worth discussing. *Insurance* should join the COAST REVIEW in advocating the abolition of rewards to the law's paid servants, and thus employ its ammunition where it will do the most good.

—Does he, really? An Omaha paper, discussing fire and life insurance solicitors, says a fire insurance man never spends a cent of money with a prospective customer. He is to the point at once, while the life man feels around and makes certain that the gentleman is a sound subject and can pass examination when the final application is made for his policy. He asks a man into a barroom and watches what kind of liquor he takes, and gets onto the size of a man's drink; finds out whether there has ever been any consumption in his family, and if he is under the care of a physician. After he is satisfied on all these points and that an application would be accepted by the company, he broaches the subject and hangs on like death till the policy is written up. His great forte is to cite instances where a man died without money and left a family behind him penniless, which was rescued from starvation only by their insurance money, and lived in riches and luxury forever afterwards.

—Thomas Bennet, General Superintendent for the Pacific Mutual, is visiting the East, accompanied by Mrs. Bennet.

—The Pacific Insurance Union makes underwriting on the Coast distressingly harmonious—distressing to the news-gatherer.

—A duel insurance company is about to be organized in Paris, since it was announced authoritatively that of 859 duels fought since 1870 only nine resulted in damage to either party. A co-operative might safely undertake such risks.

—At one time the lives of negro slaves were insured for the benefit of their owners. The premiums were very high, but the risk was still larger, and the business was finally abandoned, one potent reason for its discontinuance being that no matter what a darkey's name was before he died, it was certain after death to be the name mentioned in the policy.—*Weekly Statement*.

—The latest co-operative trick, originated by the United Brethren Mutual Aid Society of Lebanon, Pa., is to place healthy risks in a class by themselves whenever they complain too loudly of the fast-moving assessments. The bad risks, who can get insurance no where else, pay the additional assessments shirked by the healthy grumblers. Thus the society is enabled to prolong its struggles and pay the officers' salaries.

—R. W. Gale, for a number of years agent in Montreal of the Equitable Life Insurance Company, has taken out an injunction restraining that company from appointing another agent or manager in his place, or from advertising any such change in the city papers. E. W. Scott, Third Vice-President of the company says that the company have dismissed Mr. Gale and wish to appoint S. P. Stevens, formerly United States Consul here. Mr. Gale says he will hold on to the position until the company will give what he asks, which is understood to be \$150,000. The company, it is reported, have offered him \$100,000. The company's counsel say the injunction will not amount to anything.

—There are sixty-two companies represented in New Orleans, of which eighteen are local companies, and some of those are "poor trash," indeed.

—A Savannah (Ga.) paper says that it is the general opinion that the cause of so many cotton fires on ship-board is parlor matches, carelessly dropped by colored laborers. These laborers carry the matches in their hair!

—Life underwriters in this field report an extraordinary increase of business during the past few months. The figures for 1886 will be considerably greater than for last year. The recent failures of hat-passers, and the decision of the courts in the case of the Order of Mutual Companions, establishing the liability of members, have helped genuine life insurance on the Coast.

—The leading Australian banks allow to depositors interest at the following rates: Deposited for three months, 3 per cent.; six months, 4 per cent.; twelve months and over, 5 per cent. There is no allowance of interest for sums deposited for a shorter time. Current interest rates are about the same as on the Pacific Coast, but none of the Colonial life offices earn as high interest as the Pacific Mutual Life Ins. Co. and other leading Coast corporations with money to invest.

—The tendency of judicial decisions seems to be to drive the law of insurance away from the general law of contracts, and to separate it and build it up into a distinct and independent department or branch of the law—*sui generis* with its arbitrary canons of constructions and principles, which in their practical application run counter to common sense, to common honesty, and to the science of law as a system of jurisprudence. Some great judge will yet arise who will bring order out of chaos, and form this mass of material into a stately edifice, and show the harmony which exists between all branches or departments of the law of contracts, and that the canons of construction are as applicable to the one as to the other, none of them resting on an arbitrary basis.

—*Fontaine T. Fox.*

—The fire losses reported to the COAST REVIEW for 1886 thus far (ten months) aggregate \$3,012,233. For the same time last year the losses "totaled" only \$2,285,726.

—The average expense ratio of fire insurance companies in Australia is 26.90 per cent. The average loss ratio, according to last reports, was 70.41 per cent. They have to run on a low expense pressure in that country.

—The business of the regular life companies throughout the country was never in a more healthy state, and 1886 will show a large increase in numbers of new policies, amount of new insurance and healthy gains in assets and net surplus.

—Benjamin Hagan, of the firm of Hagan, Manheim & Co., died at his residence in San Francisco on the 31st of October, in his sixtieth year. His death was very sudden. The burial was under the auspices of the Masons and Odd Fellows. Mr. Hagan was highly respected by his business associates.

—Here is the *Underwriter* of Philadelphia for October, a quarterly publication. We find dry underwriting subjects treated under such attractive but misleading heads as "Jerusalem," "The Standing Watchman's Clack," "Animal Instinct," etc. Our contemporary is improving under its new management. We shall be glad to announce that it has become a monthly publication.

—Physicians employed by the Brewers' Association of New York have been at work during the past few weeks making an examination of some of the men employed in the big breweries of that city. The examination, which was exclusively a physical one, was intended to show that men who work in breweries were not more afflicted with heart, liver and kidney complaints than men employed in other work. The examination was suggested by statements made by life insurance companies that risks on brewery workmen were not reasonably safe. These statements were taken up by the prohibitionists and made the basis of arguments against the manufacture of malt liquors.



—A. J. Wetzlar, adjuster, now has his office at 421 California street.

—Policyholders in the Charter Oak are wondering whether it were worse for the president to run off with all the funds, or for the lawyers and receivers to gobble up all the funds of that unfortunate company.

—Burglars recently blew open the safe in the office of a San Francisco assessment life insurance company, and found nothing but a lot of blank notices of assessments. They had been misled by big signs—the painted ones outside and the flash diamond breast-pin of the manager behind the counter.

—A tabulation of the *Finance Chronicle and Insurance Circular* of London, of the 56 reporting British fire insurance offices, shows for the last official year funds, exclusive of capital, held by the 41 tariff offices to the amount of \$81,988,380, net premiums received last year \$63,987,145; 13 non-tariff offices, funds \$2,129,615, net premiums \$2,036,015; 2 reinsurance offices, funds, \$668,240, net premiums \$1,990,920.

—I. L. Bromwell, President of the California Insurance Co., of San Francisco, has been in the city the past few days on business for his company. On Thursday he was entertained at dinner at the Down Town Club, in Pine street, on invitation of Mr. E. R. Kennedy, of Messrs. Weed & Kennedy, the company's agents in New York. It was an interesting occasion, because it gathered together a number of prominent insurance managers. The gentlemen present were: Messrs. E. R. Kennedy, I. L. Bromwell, Charles Sewall, of the Commercial Union; E. L. Ireton; E. F. Beddall, of the Royal; W. M. St. John, President of the Standard; H. H. Hall, of the Northern and President New York Board of Fire Underwriters; Geo. M. Coit, Vice-President New York Board; James Yereance, Manager London & Lancashire; F. C. Moore, Vice-President of the Continental; D. A. Heald, Vice-President of the Home; Thos. F. Goodrich, Vice-President of the Niagara; and Hon. John A. McCall, Jr., ex-Superintendent of the New York Insurance Department.—*The Review*, New York, Oct. 28th.

—Industrial insurance companies have got as far west as Kansas City.

—Underwriters' inspectors are making a thorough examination of buildings in Charleston.

—The following table shows the total premiums received, losses paid and the per cent. of premiums to losses for seventeen years in Canada:

	Premiums rec'd.	Losses paid.	Rate of losses to per cent. of prem.
Canadian Companies.	\$19,024,912	\$14,079,891	74.01
British        "	35,126,546	26,564,359	75.63
American     "	4,643,426	3,311,667	71.24
Totals.....	\$58,799,884	\$43,955,917	74.76

—We congratulate Insurance Commissioner Magill of Minnesota upon his election to the Governorship of that State. Mr. Magill has made a first-rate Commissioner, and in discussing insurance topics, notably valued policy and other insurance legislation, he has exhibited ability and a willingness to deal justly with underwriting interests. But perhaps we are complimenting his deputy. Anyway, we are confident that under Governor Magill's administration there will be no unjust or hurtful insurance legislation in Minnesota.

—The success of a life insurance office depends upon the ability of its agents to work the field; the success of the agents depends upon the ability of the superintendent of agencies to work the agents; and as different men require different treatment and methods, it may be requisite that the handling of one man should be directly opposite to the handling of another. There may be splendid material in the novice whose first efforts as solicitor are utter failures. There are men of originating enterprise without aptitudes, and so there are men of aptitudes without originating enterprise. There are, of course, a large number of beginners who will never be qualified; there are an equally large number who will not be qualified at first. Many dull scholars have become greatly-learned men in after years; many scholars quick to learn have become polished ignoramus.—*American Review*.

—H. R. Maun has been quite ill for the past ten days.

—Winter and defective flues east of the Rockies are beginning to worry housekeepers and underwriters.

—The \$2,000,000 capital of the Anglo-Nevada Assurance Corporation has been fully paid up. The necessary papers to that effect will be filed at once in those States which require a paid-up capital as a condition of admittance. The agencies have already been established and are waiting to give the company a good "send off"

—Five farmers filed separate complaints at Los Angeles, on the 13th ult., in actions for damages against the California Southern Railroad. They allege that by reason of the negligence of the defendant's employes sparks from a locomotive set fire to their growing crops of wheat and barley on the 27th of July. The aggregate damages claimed are \$20,000. The insurance companies which incurred losses through the same negligence of the defendant's employes, at the same fire, will also bring suits for the recovery of insurance paid.

—It is understood that J. Montgomery Hare, of New York, United States Manager of the Norwich Union, is visiting this Coast for the purpose of effecting a long-contemplated change in the Pacific Coast agency of the Royal, Norwich Union and Lancashire insurance companies. The new general agent has not been announced at the present writing. Indications point to the promotion of J. A. Jones, who has been the sole manager of the insurance department of Messrs. Falkner, Bell & Co. for the past nineteen years. Under Mr. Jones' management the several companies represented by these gentlemen have done a profitable and satisfactory business. The agency as now organized, with Mr. Jones' knowledge and acquaintance, constitutes a desirable plant. His many friends in this city and in the interior may therefore entertain the hope that his long and valuable services will receive their appropriate recognition. Certainly no more fitting appointment could be made.

—Aaron Frost, formerly at Deming, N. M., is now at San Diego, Cal.

—The *World* of Pittsburgh refers to the "flapping of the wings of the assessment eagle." That was a slip of the pen. Assessment buzzard was meant.

—The "rainy season" has begun on the Pacific Coast, and a reduction of the fire losses for November and December may be counted upon in calculating grand totals for the red year 1886.

—H. R. Mann, of the insurance firm of Hutchinson & Mann, of this city, has been elected Assemblyman for the forty-first Assembly District on the Democratic ticket. Mr. Mann is a gentleman of ability, and will no doubt make a most satisfactory representative. He can and will be of valuable service to the people of this State, should any bills of a "cinch" nature come before that body.

—We do not object to the employment of persons to ascertain facts and procure evidence, or to the compensation of such persons for such service. That is not the reward system as conducted by the National Board. There is a wide difference between that and the advertising by handbills and otherwise of a lump sum payable for evidence that will convict somebody of a specified act of incendiarism. It's the latter that demoralizes the officers of the law, rouses avarice, bids for perjury, always threatens innocence, and often screens the guilty.—*Insurance.*

—The *Review* of London says that the Mutual Reserve Fund Life will hardly be accepted as a representative of the United States in any shape or form. It is condemned by all intelligent men in the country from which it comes, and amongst the members of that profession which it so inadequately pretends to represent. There is only one argument which it proposes to offer to the people of England, and that is, if the Mutual Reserve Fund is right, every respectable British and American law office has up to to-day been committing a fraud on the public. This is a plain and simple issue.

—Somebody has invented a "dry fire-extinguisher," and it is not a new cocktail, either.

—Remonstrances against the passage of the valued policy bill are "pouring into" the Vermont legislature. The exodus of the companies from New Hampshire has had effect, anyway.

—EDITOR COAST REVIEW:—How many companies have cancelled their policies on the Mack risk, as they declared they would? Also how many have written on the risk since the fire whose representatives declared they would not? Y. Z.

Give it up. Give us something easy.—*Ed.*

—The new English oracle of the Mutual Reserve Fund Life Association announces that the "self-appointed officials of the British life offices are usually as notorious for their gross ignorance as they are for big whiskers, loud, bawling voices, and remarkably red, pimply faces." Well, that is a queer way for an American enterprise to introduce itself to the favorable consideration of the British public.

—R. W. Abbott, for some time general agent of the Northwestern Mutual Life Insurance Company for California, and recently the general agent for Southern California, has been dismissed from the service of the company for embezzling its funds. Mr. Abbott has been engaged in the life insurance business in this State since a youth. For many years he was the book-keeper and office manager for General Agent Munsell, of the Mutual Benefit Life. Suspicions as to the correctness of his cash accounts while in Mr. Munsell's service have been amply confirmed by recent developments. The exact amount of his defalcation to the Northwestern Mutual Life is not known, but is reported to exceed \$2,000. Fortunately, the company will not lose anything, as it was secured by bondsmen, who will pay the deficit without controversy. Mr. Abbott is an active and prepossessing young man and, with good moral fibre, would have been eminently successful as a life underwriter.

—President Spence and Secretary Miles, of the Southern California Insurance Co. of Los Angeles, visited San Francisco last month.

—The Connecticut Supreme Court decided last month that a paid-up policy was void because the plaintiff neglected to pay the interest upon the premium notes.

—Henry W. Wright, one of the leading fire insurance agents in San Jose, has been appointed agent for Santa Clara county of the Connecticut Mutual Life Insurance Co.—an excellent appointment for a first-class company.

—Special Agent of the Fireman's Fund S. D. Ives returned last week from an extended trip through the Pacific Northwest. He reports remarkable progress in wealth and population in Eastern Oregon and Washington.

—The Antisell loss has finally been settled for \$80,886, on an insurance of \$100,000. Antisell claimed a total loss; but after several weeks of energetic work, the adjusters and appraisers failed to find evidence of \$100,000 worth of stock.

—Charles Ford, of the firm of Mills & Ford, general insurance agents in New York City, is visiting California. Messrs. Mills & Ford are general agents for the Anglo-Nevada Assurance Corporation for the States of New York, New Jersey and Pennsylvania, and also metropolitan representatives of several other companies.

—Mr. Hagan, whose death we chronicle elsewhere, had been engaged in the insurance business in this city, with Mr. Manheim, under the firm name of Hagan & Manheim, for eighteen years. Up to 1881, they did a general brokerage business. In that year they were appointed city agents for the Scottish Union & National and the Connecticut. In July, 1884, the firm of Hagan, Manheim & Co. were appointed general agents for the Scottish Union & National and the National of Hartford, with J. W. Staples as manager. At the present time the firm represent, in addition, the Oregon Fire Insurance Co. The business will be continued under the old firm name.



—Jas. W. Rea, of Montgomery & Rea, San Jose agents, was elected Railroad Commissioner at the recent election.

—The professional jealousy or personal dislike displayed by the editors of *Insurance* and the *Spectator* is entertaining if not profitable.

—A contemporary announces that cents have been introduced into San Francisco. If this is so San Franciscans, despite prejudices, must hereafter admit there is cents in such small change.

—The *Spectator* of the 28th ult. says:

The Mutual Benefit Life Association of America of New York city announces that it has taken preliminary steps to sue J. G. Edwards for libel, the association estimating its damages at \$25,000. The suit is based on a severe criticism on the Mutual Benefit, printed in the October issue of Mr. Edwards' paper, *The Coast Review*, headed, "The Mutual Benefit Life Association of America—Expose of a New and Small Hat-Passing Liar."

—The United Firemen's Insurance Co. of Philadelphia contemplates entering California for business in 1887. The United Firemen's was formerly represented here (by W. G. Elliott), but in February, 1882, it withdrew, after reinsuring its Pacific Coast risks in the Standard Fire of London. We learn that the Secretary, Gen. R. B. Beath, will visit the Coast in the course of a month, to fix upon an agency. Gen. Beath was one of the Grand Army visitors at the recent national encampment in this city. The assets of the company, on January 1, were \$832,139. The cash capital is \$300,000.

—W. G. Elliott, recently of Swain & Elliott, city agents for Manager Dornin's companies, is short in his accounts some \$2,000 or so. For some time he has been in the employ of City Agent Swain, but the defalcations occurred chiefly or entirely when Elliott was a partner. This is not the first time that Elliott has been short in his accounts. When he was a general agent for one or two Eastern companies there was similar trouble, and he was forced to "step down and out." Elliott has not been seen nor heard from for four weeks. In the meantime receipts for premiums which he never reported continue to "turn up."

—The Travelers Life and Accident Insurance Co. has issued a new form of "coupon annuity endowment" policy, whereby the insured pays all premiums up to 60 years of age.

—Geo. H. Murdock, who has been engaged in the insurance business in this city for a year or so, has become a partner of H. C. Swain, in the city agency of Manager Dornin's companies.

—The Mannheim Insurance Co. of Germany, represented in this field by Geo. Marcus & Co., has issued a report for the year ending June 30, 1886. We extract the following figures: Income, \$1,589,360; expenditures, \$1,126,375; income in excess, \$462,985; premiums, \$1,285,875; losses, \$538,085; net profit, \$94,015; paid-up capital, \$200,000; assets, \$944,855; assets including capital subject to call, \$1,734,855.

—In the English language there are such convenient words as brewery, bakery, book-binding, cannery, saddlery, tannery, etc., all formed by simply affixing a "y" to the words denoting the trade; but why all the trades were not treated in a similar fashion is one of those things "which no feller can find out." Such words as printery, coopery, carpentry, and lithography would be much more sensible and more serviceable than such tiresome combinations as printing office and lithographing establishment, etc. But how would underwritery sound as a substitute for insurance office?

—The New York Underwriters' Agency is composed of the Citizens and the Hanover Fire insurance companies of New York. They do a joint business under the foregoing name on this Coast and in most of the States of the Union. The Citizens has \$1,084,164 91 assets, and the Hanover has \$2,479,134.13 assets. The figures of the two companies—the New York Underwriters' Agency—are as follows: Cash capital, \$1,300,000; assets, \$3,559,306; net surplus, \$752,591; surplus as to policyholders, \$2,052,591; premium income, \$1,904,302. The Underwriters' Agency does a good business in this field, where it is represented by Cæsar Bertheau.

—Chas. Mays of Modesto was a San Francisco visitor last month.

—J. Montgomery Hare, of New York, United States manager for the Norwich Union Insurance Co. and a member of the firm of Frame & Hare, general insurance agents, is visiting San Francisco.

—The Salt Lake fire of September 29th destroyed over \$30,000 worth of property, on which there was only about \$7,000 insurance. The local press complained of the tardiness of the firemen, who had to haul the engine and carts.

—Louis K. Webb, with General Agent Smith of this city, has been selected as general agent for the Northwestern Mutual Life Insurance Co. for Southern California, with headquarters at Los Angeles, *vice* R. W. Abbott, removed. Mr. Webb is an experienced life underwriter, and has done a very successful business in the Northwest.

—The *Insurance Age* either stupidly misunderstands or designedly misrepresents Commissioner Wadsworth's part in the recent Sun Fire Office controversy. The *Age* says: "What is the sense, now, of going back of the record and the cash to invent a blackmailing technicality?" The *Age* owes an apology to Commissioner Wadsworth for its libelous language, and another apology to its readers for misstating the facts. It was the duty of the Commissioner to enforce the law requiring a home office statement. Whether the law is a good or a bad law is immaterial to the question. The Commissioner "invented" no "technicality," and had no discretionary authority in the matter. He merely performed his duty, after counselling with the Attorney-General of the State, and his action was approved by that official. The *Age*, to make itself 'solid' with an advertiser, salams too lowly and gives its posterior unnecessary and immodest prominence. The *Vindicator* of New Orleans thinks it is 'foolish' for the Commissioner to obey the law. Respect for law is not a conspicuous virtue in New Orleans, if we may judge from its numerous underground brokers and the opinion of the *Vindicator*.

—J. T. Dargan, of the firm of Dargan & Trezevant of Dallas, Texas, managers of the Southwestern department of the Fire Association of Philadelphia, is visiting San Francisco.

—The announcement made in our last issue that the defalcations of Cashier Bates, of W. J. Callingham's agency, were confined to the marine department, of which he had exclusive control, have been verified by the subsequent investigations. The funds of the City of London Fire, in the same agency, were not touched, and neither were the funds of the fire department of the South British & National.

—Letter postage between England or the United States and Australasia is twelve cents per half ounce; between France or Germany and Australia it is only five cents per half ounce. The United States will carry a daily or weekly paper of eight ounces or less from New York to San Francisco and thence to Victoria, Australia for two cents; but for a monthly paper of the same weight the postage is eight cents. The postal laws need to be revised. At least a letter should be carried as cheaply from San Francisco to Australia as from France or Germany to that colony.

—The report of the San Francisco Board of Fire Commissioners for the year ending June 30th, shows that, including \$217,500 for the salaries of officers and members of the department, the total expenditures amounted to \$307,574. The valuation of property of all kinds held in trust by the Commissioners as per inventory, is as follows: Real estate and improvements, \$410,000; apparatus, \$140,000; horses and harness, \$35,000; furniture and supplies, \$7,500; hose and couplings, \$25,000; machinery and tools, \$12,000, making a total valuation of \$629,500. The report concluded with a prayer that the full appropriation of \$110,000 yearly shall be allowed the department for expenses, as the present allowance of \$90,000 is entirely inadequate to answer the necessities. The Supervisors are urged to purchase two new engines, one of which is to replace the engine burned at a recent fire.

—The *Overland Monthly* for November, though not so good as usual, contains several interesting articles, among which are "The Silver Question," "Saturday Night in London," "Tombstone," and "Photography the Servant of Astronomy."

—On January 1st the New York Life Ins. Co. had only four contested claims on its books—in all, \$36,000. These claims are all four years old or more. In three instances the courts have sustained the company. In the fourth, the Hillman case, the courts will undoubtedly decide for the defendant companies, for there is no doubt that a corpse was substituted in Kansas for the insured, who is still alive.

—The Pacific Surety Company of California has taken a new departure, and will largely increase the scope of its business by the addition of an accident department. In uniting guaranty and accident insurance it is following the example of many European and Eastern companies, which advantageously operate the two varieties under one organization and one capital. The new accident department of the Pacific Surety Company will begin operations immediately. Active agents are wanted. The Pacific Surety has a cash capital of \$100,000. The extraordinary success of its guaranty business warrants us in predicting even greater success in its accident department.

—The Bankers and Merchants Mutual Life Association (hat-passer) advertises that "the most experienced actuaries approve of this system"—the hat-passing system. The statement is untrue; no experienced actuary approves of the assessment system. The association, in its advertisement, also says that, as a rule, co-operatives pay claims in full only when they (the hat-passers) are several years old. The contrary is true. When the hat-passers are young the death rate is light and the members pay cheerfully; but with age (several years), comes a heavy death rate, and many members cannot or will not pay the assessments. The member of a co-operative must die very soon to win. The Bankers and Merchants is just as good and just as bad as the average hat-passer. Its ability to pay a claim depends upon the proceeds of a collection.

—Alex. Neilson, of Sacramento, was in town last month.

—Clarence M. Smith, the general agent of the Northwestern Mutual Life Ins. Co., has been ill and confined to his house since July 31, but is now convalescent.

—The new New York standard fire insurance policy, authorized by the legislature, contains the co-insurance clause. We print this policy elsewhere.

—Perhaps a long step toward fire-proof buildings will some day be made by the substitution of *leather* columns, plates, etc. Manager Meares, of the Union of New Zealand, when here last month, showed a piece of leather, sawed from a block of scrap leather. The specimen was hard as rock and strong as iron. After all, "there is nothing like leather."

—During the recent great fire at Eastport, Maine, a gang of Canadian smugglers or pirates entered the burning town and pilaged it. Finally the citizens rallied and a bloody fight followed. The pirates were driven to their boats, but they sailed away with their booty. About this time the Mutual Reserve Fund Life Association of New York entered Great Britain and began the sale of counterfeit life insurance, which is only another form of piracy. Honors are therefore easy, and there is consequently no occasion for any inquiry into the Eastport outrage by the Department of State.

—On the first of July the savings banks of California had \$62,822,038 on deposit, a gain of nearly \$2,500,000 in six months. The assets of the savings banks are \$69,935,288. San Francisco banks contain eleven-twelfths of the savings deposited. The assets of the commercial banks on July 1st were \$84,134,757, a gain of nearly \$1,000,000 since January 1. The deposits are \$40,489,118, a gain of nearly \$3,200,000. The reserves have advanced several hundred thousand dollars. The total increase of deposits in both classes of banks for the fiscal year was \$11,080,469, being the largest increase of deposits ever known in one year in this State. These facts indicate substantial growth and prosperity.



—The Supreme Court of Kansas held in a recent case (*Smith v. Findley*) that the phrase "household goods" used in a contract of carriage did not include potatoes, bacon, vinegar and salt, a portion of which was sold or offered for sale after the arrival of the goods at their destination.

—Co-insurance is one of those basal questions which bear much discussion, but which finally carry all before them. Insurance rates, to measure the hazard at all, must be based on some certain agreed proportion of insurance to value. Except such a proportion is known or understood, and maintained in the average of insurances, a rate is a mere shot into the air. One of the certainties in the future of fire insurance is co-insurance, whole or partial, but agreed on.—*St. Louis Examiner*.

—The Home Provident Safety Fund Association, of New York, is represented in San Francisco. This little hat-passer reports \$12,597 invested assets and \$15,000 liabilities. The total membership (or policies) was 1,586 on January 1. The total income last year was \$38,546, and the outgo was \$25,949. The total paid to members was \$15,977. How many death claims were filed we cannot tell, for the officers are prudent enough to withhold that information; but of the accepted claims less than four-fifths of the face of the certificates were paid. While some claimants received the full amount, perhaps, many others were certainly obliged to be content with much less. That is one of the chances every member of a co-operative must take. There must have been considerable dissatisfaction, for over one-sixth of the membership withdrew during 1885. The unpaid claims of the association, on January 1, were \$35,000, and \$22,000 of this indebtedness was incurred during 1884. Of course the indebtedness will never be paid, and thirty-five claimants will never receive anything. These figures indicate that every other claimant gets nothing, and the claimants who get anything get, on the average, less than four-fifths of the face of their certificates. The officers, however, always receive the face of their claims, whatever the assessments may yield.

—A valued policy bill has been introduced in the Vermont legislature. If the bill becomes a law, the influence of the exodus from New Hampshire, because of a similar law, will not have been far-reaching. During the past ten years the fire insurance companies have done a losing business in Vermont.

—The Fidelity and Casualty met with a severe loss (\$102,471.94) in 1885, the guaranteed party having absconded with that sum while it was temporarily in his possession. Referring to this loss and to the examination of the company just made by the Massachusetts Department, Commissioner Tarbox says: "After so severe a lesson, the public may reasonably expect a vigilance on the part of the company that will protect it from a similar loss in future. From the report of examination by Deputy Commissioner Smith, the financial condition of the company is found to be satisfactory. Its surplus October 1, 1886, was \$26,574.75. The financial soundness of the company is well proven by its ability to pay so heavy and exceptional a loss without impairment of its solvency."

—Statistics show that thunder storms are increasing in all civilized countries. Even in California, where thunder and lightning were comparatively unknown thirty years ago, every winter witnesses an occasional display of forked lightning. Loss of life and property from thunder storms is notably increasing everywhere, and the growing frequency and destructiveness of tornadoes and cyclones east of the Rockies is remarked by the most casual reader. The *savants* are casting about for a reason, but nothing more probable than the general multiplication of railways and telegraph wires has yet been offered. German scientists attribute the increase of thunder storms to the increased production of smoke and steam. The COAST REVIEW scientist ventures to suggest that the increase is owing to the generation of additional electricity beneath the earth's surface, and that the equilibrium is established only through thunder storms and possibly earthquakes. The moral is: Keep life and property well insured, and trust in no co-operative.

—The whole matter resolves itself into this: Agents who expect at the outset that their work of canvassing is to be done by others almost invariably fail. Those who, having met with success in canvassing, give it up, expecting that sub-agents will continue their work, almost invariably fail. Those who are disheartened by competition fail. Those who are ashamed of their occupation fail. Those who spend their time at their desks waiting for patrons fail. Those who do six days of earnest and enthusiastic work every week never fail.—*The Chronicle.*

—Those who object to firemen's tournaments because the towns and villages are temporarily deprived of fire protection, overlook the value of these annual tests of speed, endurance and machines. The fire hazard is increased for two or three days, it is true; but these annual tournaments not only promote the efficiency of volunteer organizations, but without such stimulus there would be fewer companies organized and many of the older ones would disband. Competition for purses, prizes and medals secures practice, good machines, and sturdy volunteer firemen. Insurance rates are or should be based upon possible losses growing out of the temporary real or comparative unprotection of country towns during the annual day or two's tournament of the volunteer firemen; but if the underwriters should (if they could) prohibit these tournaments by threatening to raise rates, they would lose more than they would gain, in the deterioration of town fire departments.

—In the ten years from 1803 to 1813, the number of suicides in Russia was at the rate of 17 to every 1,000,000 inhabitants, whereas, it is now 29 per 1,000,000, while in St. Petersburg itself there are 206 suicides per every 1,000,000 inhabitants, as against 402 in Paris, 170 in Berlin, and 87 in London. It is only within the last twenty years that suicides have been so numerous in St. Petersburg, as in 1864 the total was only about 50 per annum. Ten years later, the total had just doubled, the increase in the population being only 8 per cent., while the increase in the number of suicides was at the rate of 76 per cent.

### ACTIVE LOCAL AGENTS.

Wanted (throughout the Pacific Coast) to represent the Accident Department of the Pacific Surety Company of California.

Address WALLACE EVERSON,

President.

328 Montgomery St., San Francisco.

### THANKS.

ASPEN, COLO., Oct. 12, 1886.

EDITOR COAST REVIEW—I deem the COAST REVIEW one of the necessary fixtures of my office. I have never failed to get each number. The court decisions are invaluable to all agents. I recommend every agent to subscribe for it.

J. D. BRANSFORD.

PORTLAND, OR., Oct. 16, 1886.

EDITOR COAST REVIEW—You have outdone yourself in your COAST REVIEW for October. The blows you strike right from the shoulder at co-operative frauds are good.

C. L. FAY,

General Agt. Washington Life Ins. Co.

## TOTAL ASSETS OF THE NEW YORK UNDERWRITERS' AGENCY,

DECEMBER 31st, 1885:

CAPITAL .....	\$1,300,000 00
REINSURANCE RESERVE.....	1,296,364 32
Reserve for Losses Unpaid and in Process of Adjustment, and all other	
Liabilities.....	214,344 00
Surplus, Exclusive of Capital.....	752,590 72
Total Assets.....	\$3,563,299 04

**CESAR BERTHEAU, Manager,**

No. 209 SANSOME STREET,

SAN FRANCISCO, CALIFORNIA.

## ANNOUNCEMENT.

AFTER CAREFUL STUDY OF THE USAGE OF ASSURANCE COMPANIES AT HOME AND ABROAD, AND OF THE EXPERIENCE OF THIS SOCIETY IN ALL THE VARIED REFORMS INTRODUCED BY IT, THE EQUITABLE LIFE ASSURANCE SOCIETY HAS COMBINED IN ONE FORM OF POLICY ALL THE ADVANTAGES AND GUARANTEES WHICH CAN SAFELY AND PROPERLY BE UNITED, AND NOW OFFERS IT TO THE PUBLIC UNDER THE NAME OF

### THE FREE TONTINE POLICY.

IF YOU DESIRE ASSURANCE ON YOUR LIFE, YOU SHOULD SECURE ONE OF THE EQUITABLE FREE TONTINE POLICIES; BECAUSE (1) IT IS

#### INDISPUTABLE,

AND YOU BUY A CERTAINTY INSTEAD OF A POSSIBLE LAWSUIT; (2) IT IS

#### UNRESTRICTED,

AND YOU ARE NOT, AS IN ORDINARY CASES, PROHIBITED FROM GOING WHERE AND DOING WHAT YOU PLEASE; (3) IT IS

#### NON-FORFEITABLE.

AND YOU CAN NEVER BE DEPRIVED OF A JUST INDEMNITY EVEN ON SURRENDER; (4) IT IS

#### PAYABLE IMMEDIATELY

AFTER DEATH, THUS PROVIDING AGAINST EVEN TEMPORARY EMBARRASSMENT; (5) IT IS

#### PRE-EMINENTLY LUCRATIVE,

IN MANY CASES PROVIDING ASSURANCE IN LATER YEARS OF LIFE FOR NOTHING, OR YIELDING BACK THE WHOLE, OR NEARLY SO, OF WHAT HAS BEEN PAID IN BY THOSE PREFERRING TO WITHDRAW; (6) THE FORM OF POLICY IS

#### SIMPLE,

AND SHORN OF NEEDLESS FORMALITY; (7) THE ADVANTAGES OFFERED UNDER THE FREE TONTINE POLICY ARE

#### NOT OBTAINABLE IN COMBINATION IN ANY OTHER COMPANY

OR UNDER ANY OTHER POLICY.

FOR TABLES OF RATES AND FULL EXPLANATIONS, APPLY BY LETTER OR IN PERSON TO

WM. D. GARLAND, Manager for Pacific Coast,  
L. P. F. WALLER, Assistant Manager,  
GEO. L. NORTH, Cashier.

W. F. McNUTT, M. D.,  
Medical Director for Pacific Coast.  
121 Montgomery Street.

Office: 240 Montgomery St.,  
San Francisco, Cal.  
P. O. Box 2028.



# THE COAST REVIEW

A MONTHLY JOURNAL

DEVOTED TO

FIRE, MARINE, LIFE AND ACCIDENT INSURANCE.

J. G. EDWARDS, PROPRIETOR,

320 Sansome St. (Room 13), San Francisco, Cal.

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## PUBLISHER'S NOTICE.

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Subscriptions discontinued on expiration only when so ordered by subscriber.

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Discontinuance, or errors, or changes in address, should be reported to the COAST REVIEW, and not to the post office. Repeat order if necessary. Subscribers and others who may take this journal from the post office or carrier are legally responsible, notice of discontinuance of subscription notwithstanding.

Subscriptions may begin with the January number, if so desired. Unless otherwise ordered, however, subscriptions will begin with the current issue.

Postage, when not sent from this office, is 2 cents per copy.

Correspondence invited. Write on one side of paper only. Be specially careful with names and dates.

Our readers are requested to send us court decisions and newspaper clippings relating to underwriting interests.

Communications, new advertisements and changes in old advertisements should be handed in before the 1st of the month, or as soon after the 1st as possible.

The COAST REVIEW will be mailed about the 8th of the month.

Advertising rates made known on application.

## The Use of Commissions.

FROM AN ADDRESS BY JACOB L. GREENE, PRESIDENT OF THE CONNECTICUT MUTUAL LIFE INSURANCE COMPANY, AT THE FIRST ANNUAL BANQUET OF THE PITTSBURGH LIFE UNDERWRITERS' ASSOCIATION, NOVEMBER 18, 1886:

There is one feature in competition among agents that probably originated among themselves, is ostensibly confined among themselves, however it has been winked at or even secretly fostered by some of the companies, and pertains peculiarly to their work. It is of great importance to you, because it already largely controls competition, and will, if not wholly stopped, do so for a time yet more completely. It is of greater importance to your policyholders, because it is a serious and growing element in the cost of their insurance. And its greatest importance is, that it is a distinct and growing menace to that integrity of administration upon which the credit, and therefore the usefulness, of life insurance depend. And it is a matter which must be cured through agents, if not wholly by them; and they must bear no small part in the consequences of whatever course may be taken in regard to it. I refer to the

practice of giving away commissions to new insurers to induce them to insure in a given company.

A glance at the genesis of this practice will not be uninteresting. There have always been these two main points of practical difficulty to an agent in seeking insurers: one, the fact that pure life insurance calls upon a man to devote so much of his money, hardly earned, perhaps, to a purpose in which he is to have no portion except that of provider. Various are the schemes used to give him a contingent personal interest in the fund provided by his premiums, so as to save the time and labor necessary to educate him up to doing his duty because it is a duty and a loving duty; though these schemes are really far more costly than simple insurance is with the personal benefit secured in some other way. No man can afford to pay life insurance expenses on a fund which is for himself. They can be legitimately incurred only for that indemnity for his family or creditors which they need on the instant and which he cannot otherwise provide and which he is bound to provide. Whatever he needs for himself can be more cheaply provided in some other way.

And the other point is the fact that the annual premium for a really adequate amount of insurance is a considerable sum, a really serious outgo to perhaps a majority of insurers, certainly to those most needing insurance. And here again there has been, on the part of both companies and agents, a constant shirking of the real needs of the situation, to wit, a constant and thorough instruction of the public in the propriety and absolute necessity of the usual scales of premium; and there has been a constant attempt to minimize them to the utmost in the eyes of the persons solicited to pay them. In the days of high interest, and the complete forfeiture of all the premiums that had been paid on a lapsing policy, the half-note plan, and the expectation of large dividends were very successfully used for that purpose. With the changed circumstances that have impaired the usefulness of the one and the attractiveness of the other, we have a rather general attempt on

the part of the companies to minimize the apparent price of insurance by schemes of which the estimated results are so stated as to be apparently of a magnitude out of all proportion to the premiums nominally charged; and an attempt on the part of agents to still further minimize by "throwing off" a part of the first premium, which part is supposed to come out of the agent's commission, which is also supposed to be his living.

As to these attempts by the companies I have, in this presence, only to repeat, that an agent takes full responsibility for all the results of that which he chooses to endorse and represent and urges men to take. If there be in any of these various schemes any element of speculation whereby some must suffer or are expected to suffer, he is responsible for that loss into the hazard of which he leads them.

As to the matter of "throwing off" commissions in order to induce a man to insure by making his first payment seem small, and smaller in one company than in some other, there are some things which cannot be too soon nor too seriously considered by agents; for it is a matter which, from almost insensible beginnings, has assumed great magnitude, and which will destroy the business unless it is stopped.

And I would say of it in the first place, that it is a piece of dishonesty to the policyholders of a company, for whose sole use and benefit a company ought to exist. Every dollar expended for any purpose by any company, comes only out of its policyholders, and may not therefore be rightfully expended except they receive a just and true equivalent. It is right that their premiums should be assessed a proper commission to pay good and suitable men a proper compensation for their time and services. That commission represents the proper cost of business, and needs no defense. But that which they are assessed over and above the agent's real compensation in order to put a sum into his hands to bid for business, to buy insurers by selling insurance at a discount, which the old members have to pay, is just so much an addition to the proper cost without benefit

to them; it comes out of their premiums, for it just so much reduces their dividends; it is done under the guise of commission to agents; but it compensates no service; it is an excessive expenditure in a false name, for which the policyholders receive no equivalent. It simply and only makes the cost of their insurance just so much exceed the proper and necessary cost. If it were charged up against the dividends of the man who gets it from the agent, it would be less objectionable; but that would neutralize the benefit of the practice and destroy its power; so the excessive charge is spread over the whole membership, and the man who actually pays but a small fraction of his first premium gets as large a dividend as he who has paid it in full.

And in the second place, with this as with every other false method, there is no constitutional limit; no logical, natural, or even necessary stopping place short of bankruptcy. A commission which pays for an agent's labor is grounded in a fixed and self-limiting principle; but a margin which is to be used in bidding has no limit save in the caprice of the market. The question is, for how much will the man sell you his application, and which of you will pay the price; and for him it is, which will pay the highest price? It is one of the open secrets, that there are now many cases where the question of who gets the application is not one of plans or merits, but who "throws off" most: that already in many cases, between what the agent gets for himself and what he "throws off," the company gets little, and perhaps nothing, for carrying the risk the first year; that in some companies practically the whole of the first premium is to be used, if need be, to fight for business. And this has come through this competition by bidding. But there is nothing to stop it even at that point. If the principal of proper cost or the real value of new business had been consulted at all, this condition would never have been reached. But as it has been only a question of what would get business as against others trying to get it in the same way, there is no reason why the practice should stop at first premiums, nor why it should not

extend to renewal premiums—as in some cases it has certainly done—and increase until it absorbs all their margin for surplus. In other words, this practice is a direct and necessary menace to future solvency, without a single inhering principle to limit or govern its action.

And it puts the agent in a position that ought to be intolerable to honorable men. It must be true that he does not, in certain companies, lose what he throws off; that his company furnishes, besides, a commission sufficient for his living, which he must have either by allowance or embezzlement. But he professes to be giving away his commissions which ought to be his honest living. It is a humiliation if it be true; it is a self-inflicted disgrace if it be not true.

And it puts the companies in the position of asking more than they need or expect to get; of making a price toicker on: as if the price of insurance were not grounded in certain known and unalterable things, which are vital to the ability of the companies to fulfill their contracts: as if the most important contract a man can make were only worthy to be haggled over: as if the most solemn trust a corporation can undertake, were only worthy to be scrambled for; or as if the necessities of the sellers of insurance, or the overloaded state of the market made it proper to sell insurance at a discount, taken out of the old members through their dividends.

### General Average.

FROM A PAPER BY C. M. HOLMES, READ AT THE RECENT MEETING OF THE INSURANCE INSTITUTE OF VICTORIA.

The origin of general average dates back to not less than four or five centuries before the Christian era; indeed, Stevens in his "Essay on Average" gives it even greater antiquity, naming 900 B. C. as the date ascribed to the birth of this custom. The people amongst whom it arose were the Rhodians, a sea-faring people, whose merchants travelled with their wares from country to country. As a storm arose, and it became evident that the general safety was imperilled unless the ship were light-



ened, so the troubles of the master increased. It can be easily understood that every merchant on board was quite prepared for the sacrifice of the interest of any one or more of his fellow voyagers, always provided that his own goods were not touched. The remedy for this difficulty was the establishment of the custom of general average. The first application of the principle was to jettison (or the throwing overboard) of cargo, for the purpose of lightening the ship. The only other subject of general average contribution in the older sea laws was cutting away of a mast. The Rhodian practice concerning jettison was adopted by the Romans and elaborated into a system, Justinian's Digest containing a body of law on the subject of average, which Mr. Lowndes describes as a "complete and symmetrical system, scarcely, if at all, inferior to any of modern times." The fall of Rome, however, led to the utter neglect and loss of Roman law, and Justinian's Digest was discovered after the necessities of more recent times had led to the framing anew of laws concerning general average. The origin of these later laws is traced back to the Middle Ages, and a special feature in the various codes is their similarity—an evident effect of the intercourse between one nation and another. The "common law of the sea" for several centuries was contained in the "Judgments of Oleron," which are said to have received the sanction of Richard I. on his return from the Crusades, and which, by English Act of Parliament passed in 1402, were prescribed for the Admiralty Court as a guide in its hearings of marine cases. Next to the laws of Oleron may be mentioned the laws of Wisby, in the Baltic. English merchants and sea-faring men are said to have had a part in the promulgation of this code.

The words of Mr. Justice Lawrence, which form part of the judgment delivered by him in 1801, in the case of *Birkley v. Presgrave*, expresses clearly and concisely the principle which in the English Courts is recognized as the basis of general average. The words run thus: "All loss which arises in consequence of extraordinary sacrifice made, or expenses incurred, for the

preservation of the ship and cargo, comes within general average, and must be borne proportionably by all who are interested." Since this decision was given, the courts have developed and expounded the law of general average to a very considerable extent; this judgment, however, is still regarded as supplying a test of what a general average act is. But it must be remembered that, as we have no statute law on the subject, it is only as the result of litigation that we possess the decisions which constitute the body of common law on this head. Consequently, there are principles which in practice are recognized as belonging to average, resting, as yet, upon no legal decision.

The essential characteristics of a general average act have been variously held by different writers on this subject. To refer to one of the earliest in modern times, Stevens, in the fifth edition of his "Essay on Average," published in 1835, thus lays down the essential conditions: "When restitution is demanded, (1) the ship must be in actual distress; (2) the thing intended to be destroyed must be expressly selected for that purpose; (3) the sacrifice must be made premeditatedly and deliberately; (4) and the end in view must be no other than that of the general preservation." And as a result, the same authority says: "The sacrifice must have the desired effect, that is, the ship must be preserved."

Baily, an authority of great repute, gives the following definition: "An act is a general average act if it is performed judiciously, with a moral certainty of total loss as its alternative, and the arrival of the ship and cargo at their destination as its end, whenever the attainment of that end is possible at the time when it is performed."

According to Arnould, a claim for general average contribution can only arise when the act performed possesses the following elements: "(1) Intentional sacrifice or voluntary expenditure; (2) purposely resorted to for the safety of the whole adventure; (3) under the pressure of real and imminent danger, and as the sole means of escaping destruction; and therefore (4) incurred judiciously; and (5) in excess of those ordi-

nary duties and expenses of the navigation which come under the head of wear and tear, and are paid out of freight."

In dealing with the question, "must the act be successful to make it a general average act?" Arnould says: "Disbursements for the general benefit must be fully reimbursed in general average, whether the ship and cargo be eventually saved or not." In the case of sacrifices made, the same writer remarks: "The owner of property sacrificed must not be worse off than if his property instead of being sacrificed had remained on board." A development of this query arises, where the ship perishes, but the goods are saved. In this case the goods jettisoned would probably have been saved if they had remained on board the ship, and contribution should be made as restitution to the owner of the cargo sacrificed. But this is qualified by Arnould, by the remark that no contribution should be made where the goods saved are few and much damaged; to this qualification the editor, Maclachlan, appends a protest. When the ship is saved by the general average act performed, but ultimately perishes, is there general average contribution? To this, Arnould answers: "All that is saved from the wreck contributes to make good the loss or expense incurred." Must the act be ultimately or immediately successful to warrant a general average contribution? On this point, Arnould remarks: "That according to English law and practice only immediate results are regarded." A similar question is presented in the case of cargo sold to raise funds—total loss following. Does this supply good ground for contribution? Arnould's answer is, that if the funds thus raised are used for repairs (a particular average disbursement) the ship owner is liable, but if the expenditure is for general average purposes there is no contribution. Maclachlan dissents from this view.

Mr. Lowndes, in dealing with the question, "Must the measure be successful?" passes in review the opinions of Stevens and Arnould, which I have already given, as also those of another writer, Benecke. His conclusion is that "the limiting of contribution to the case of success is inconsis-

tent with the true principle of general average, which is, that the timely adopting of measures necessary for the common safety should be promoted, by rendering it immaterial in result whose property is taken for the sake of all. To satisfy this principle, all must be put in a position of perfect equality—he whose goods are taken, or he who has advanced the money to pay for the service rendered for all, should be neither better off nor worse off than if the goods or money of some other party had been taken instead." The circumstances that constitute a claim to general average for loss or expense incurred are next dealt with by Mr. Lowndes. Referring to Stevens and his requirement, "that the thing intended to be destroyed must be expressly selected for that purpose," he shows, I think conclusively, that the circumstances that call for a sacrifice indicate the thing to be sacrificed, and that "there scarcely ever is a real alternative." The "moral certainty" theory of Baily, as Lowndes puts it, "amounts to this, that a ship is never considered certain to be lost until a loss has actually taken place;" and, "the moment of the greatest extremity, if waited for, may be too late." The definition of the point of danger to be reached for which no contribution for sacrifice is allowable is thus stated by Mr. Lowndes: "Before any loss which is directly occasioned by the hand or will of man, acting with a view to the commonsafety, can be excluded from the general average on the ground that the danger is so extreme as to preclude the notion of a sacrifice, it must be shown that no rational hope of safety remained."

Before quitting this, the more abstract part of the subject, the rule as to consequences of a general average act must be stated. The rule, based upon a maxim of common law, is that the remoter consequences of a general average act must be disregarded. But, some qualification of the rule must be made since the decision in the case of *Atwood v. Sellar*, which allowed as general average all port of refuge expenses, the cause of entering the port of refuge being to repair damage to the ship, which in itself was general average.

## SACRIFICES.

General average has been defined as "extraordinary sacrifices made or expenses incurred."

1. *Sacrifices of cargo.*—Jettison is the earliest and simplest form of general average sacrifice. To make throwing overboard of cargo a jettison giving claim to contribution, there are certain conditions required. The act must be reasonable and prudent. It must also be for the common good. Jettison of dollars, when a vessel was chased by an enemy, was ruled not to be general average, the motive being not the common good, but to avoid an involuntary enrichment of the enemy. There is one exception to the rule concerning jettison. Deck loads are as a rule, not made good in general average, if cast overboard; but whatever is saved of deck jettison must contribute to general average. The reason for this exception is that the deck is not regarded as the proper place for the stowage of cargo. In fact, although the trade in timber between North America and Great Britain had developed the practice of carrying deckloads, for a considerable period no jettison of such was allowed for as general average. Further, an Act of Parliament (since repealed) forbade the departure from port during seven months of winter of vessels with deck cargo. But the case of *Gould v. Oliver* decided that goods carried on deck without the assent of the shipper, and jettisoned, were at the shipowner's risk; however, where the assent of the shipper to stowage on deck had been obtained, he was held liable for his share of the loss. Later cases confirmed this decision, and a practice arose therefrom which calls for some notice. The practice is known as general contribution. Its operation is confined to vessels carrying deck loads, and it differs from general average in this, that no one is forced to contribute towards making good a sacrifice of deck cargo who has not made himself a party to its carriage. In a recent case, *Burton v. English*, heard on appeal by the Master of the Rolls and Lord Justices Baggallay and Bowen, it was decided that the words "at shippers' (or merchants') risk" do not exempt the shipowner from liability for con-

tribution for deck jettison. The judgment in this case pointed out that the ship not being a general ship, no other parties but the shipper and shipowner were concerned. The opinion of Lush, J., was quoted with approval by Bowen, L. J.: "The office of the bill of lading is to provide for the rights and liabilities of the parties in reference to the contract to carry, and is not concerned with the liability to contribution in general average."

Deck jettison of dangerous articles, such as matches, acids, etc., is not a subject for contribution, the presence of these goods being regarded, on account of their inherent vice, as a menace to the general safety in bad weather.

There are losses incidental or analagous to jettison which are treated as jettison. These are, damage to cargo in the hold by water going down the hatchways, open for the purpose of getting up cargo to be thrown overboard; goods brought on deck, to be jettisoned, and washed over; damage, by removal of the cargo for jettison, to that which is left in the hold and that cannot be at once re-stowed; loss of goods through forced discharge into boats when a ship is aground, or by falling into the water during necessitated discharge, whether at sea or alongside a wharf at a port of refuge—the condition to allow of contribution in respect of such loss during forced discharge, however, is that the ship must not be in a state of wreck. Freight lost to the shipowner through jettison is made good when the jettison is allowed for.

Loss of cargo by baling is, in practice, general average, while loss (of grain) through pumping has been ruled to be not general average. Damage to cargo, the result of water getting into the hold, through the hole caused by cutting away a mast, is considered to be a subject for contribution.

Damage to cargo, by water poured down the hold to extinguish fire, and by water let in to scuttle the ship in shallow water, is now held to entitle to contribution. The case which decided the former point proved two things—first, that the practice of British adjusters had been to disallow such claims as general average; and secondly,



that such practice was wrong. Since this decision—in the case known as *Stewart v. West India and Pacific Steam Navigation Company*—British adjusters have followed the law laid down. Two later cases—*Whitecross Wire Company v. Shaw, Saville and Company* and *Price v. Middle Dock Company*—support this position. The authority for treating damage through scuttling as general average is the case of *Aohard v. Ring*.

*Cargo burnt for fuel*—Steamships properly equipped, having had a reasonable and ordinary supply of fuel on board, the supply (of coal) being exhausted by unforeseen causes, and the deficiency made good by cargo—such loss ought on principle to be allowed as general average, provided that thereby the whole adventure be saved from impending destruction.

*Cargo given as salvage or sold to raise funds*.—In some cases it is impossible for the master of a ship to communicate with his owners from a port of refuge and so obtain funds to enable the ship to proceed on her voyage. The right which the master possesses to pledge both ship and cargo by Bottomry and Respondentia Bonds, permits him, when absolutely necessary, to sell cargo for the same purpose. Any loss accruing to a cargo owner by sale at a port, other than the port of destination, has to be recouped, and falls *pro rata* upon the interests benefiting by the expenditure incurred. Loss resulting from the sale of cargo, under a Bottomry and Respondentia Bond, gives rise to a claim on the shipowner, when the vessel sails under the English flag. In the case of a foreign ship, this is still uncertain.

2. *Sacrifices of ships' materials*.—Jettison of anchors, cables, etc., or of stores from the middle deck, are treated exactly as jettison of cargo from the hold. Damage to the ship, the result of jettison of cargo, *e. g.*, cutting holes in the deck to remove cargo, is also general average.

From the earliest times, cutting away a mast to righten the ship has been recognized as general average. Rigging and sails deliberately cut away with the object of saving ship and cargo are also made good, but the loss of gear by perils of the seas is

described as wreck, to recover which, recourse must be had upon the underwriters of the ship. The subject of cutting away wreck is a very thorny one indeed, and in spite of all that can be gathered from several decisions that deal with it, the difficulty in applying the principles enunciated is considerable. There are three cases notably bearing on this head, viz: *Johnson v. Chapman* (where the subject was dealt with, although not the cause of action), *Corry v. Coulthard*, and *Shepherd v. Kottgen*. Stevens went so far as to say, in regard to cutting away wreck, that "the situation in which these articles are placed by the breaking of a mast renders them of no value whatever." Later opinion does not confirm dictum. Willes, J., in deciding *Johnson v. Chapman*, used these words: "If instead of cutting away what is virtually lost only, you cut away a portion of what is still on board and safe, except for the common danger—for instance, a mast or a bowsprit—for the purpose of facilitating the getting rid of the wreck, which is only encumbering the vessel; if you do that, you ought to receive average in respect of the portion you so cut away, because *that* you do sacrifice." The three cases taken together may be said to warrant a claim for portion of ship's gear sacrificed, where it can be shown that but for the "immediate and pressing danger" the same might have been secured, but to exclude any such claim when the cutting away is merely the necessary complement of proved loss.

Cables cut and anchors and chains slipped from, when necessary to secure the common safety, are allowed to be general average, but care should be taken for the recovery of the lost articles. An exception in this rule is made where anchors are dropped among rocks or on the moorings of other vessels. Hawser broken in heaving off a stranded ship—this being an extraordinary service—and loss of, or repair to, boats used in the same operation, for the same reason, are allowed as general average. Extraordinary use of sails, such as setting a sail in the rigging to wear ship, or to heave the vessel off the ground, are allowed for; the requirement is that the service must be

extraordinary in kind, and not merely in degree.

Loss through diverting from their ordinary use any part of ship's gear and stores, as in the case of jury-rig, is made good in general average. Another instance is, the allowance, sanctioned by *Robinson v. Pirie*, of spars cut up for fuel, the coal supply having been proved to be adequate.

So far, voluntary stranding has not been admitted as general average, but the allowance of scuttling to extinguish fire is more than halfway to the allowance of voluntary stranding. The courts have yet to deal with this matter.

Sail cut away to save a mast, on the plea that upon the safety of the mast the ship's safety depends, is not allowed. The danger is considered remote and not immediate. Temporary repairs to enable a ship to complete her voyage, but which are of no permanent value to the vessel, are allowed as general average.

### Life Expectations Among the Ancient Romans.

It will be news to most of our readers, probably, when we state that Justice Bradley, of the United States Supreme Court, was formerly connected with the Mutual Benefit Life Ins. Co. as an actuary. Recently the Justice, in looking over the Pandects of Justinian, found the Roman method of computing the value of life interests. Mr. Bradley, in a letter to Mr. Sheppard Homans, quoting from Ulpian's Commentaries, says:

Ulpian writes that this is the mode of computing the value of maintenance (for life)—namely, for persons of 20 years and under, 30 years of maintenance, including the Falcidian portion (this means 30 years' purchase of the annual value); for those of 20 to 25 years, 28 years' maintenance; for those of 25 to 30 years, 25 years' maintenance; for those of 30 to 35 years, 22 years' maintenance; for those of 35 to 40 years, 20 years of maintenance; for those of 40 to 50 years, as many years as the person lacks of 60, less 1; for those of 50 to 55, 9 years; for those of 55 to 60, 7 years; for those of 60 and over, 5 years; and the same rule is em-

ployed in computing usufructs (*i. e.*, the use of lands for life). It is usual, however, to compute 30 years for all those under 30, and for those over that age as many years as they lack of 60. If a usufruct is bequeathed to the State, either generally or for the maintenance of games (of course, in perpetuity), it is estimated at 30 years purchase.

The Falcidian portion mentioned above is that portion (namely, one-quarter) which belonged to the heir in his own right, and which the testator (if his father, mother, etc.) could not deprive him of. Taking out this quarter in each case, and comparing the result with one of our modern tables of annuities for life, we have the following interesting exhibit:

For a life aged	Valuation in years' purchase. Years.	Annuity of \$1 for life as per Carlisle table, 3 per cent.
0—20	22½	17½ to 21½
20—25	21	21½ to 20½
25—30	18½	20½ to 19½
30—35	16½	19½ to 18½
35—40	15	18½ to 17½
40—50	14½ to 6½	17½ to 14½
50—55	6½	14½ to 12½
55—60	5½	12½ to 10½
60—80	3½	10½ to 4½

In the above comparison I use the Carlisle three per cent. table, because it is evident that the three per cent. basis was used by the Romans, from the fact that thirty years' purchase was estimated as the value of a perpetuity; and as lands and the incidents of landed property, such as slaves, cattle, etc., constituted the principal wealth of the Romans, it is probable that three per cent. was a fair estimate of the profits of an estate.

An inspection of the foregoing table leads to two interesting conclusions: first, that the Romans had made quite intelligent observations on the average expectation of life; and, secondly, that after middle life, this expectation in the Roman Empire was much less than it is in our times in civilized countries.

A new English "friendly" society is called the "One Premium Society," a name which means apparently nothing. No policy lapses.



*Subscribed Capital, - - - \$4,125,000 00*  
*Capital and Gross Assets, - - - 4,712,747 00*

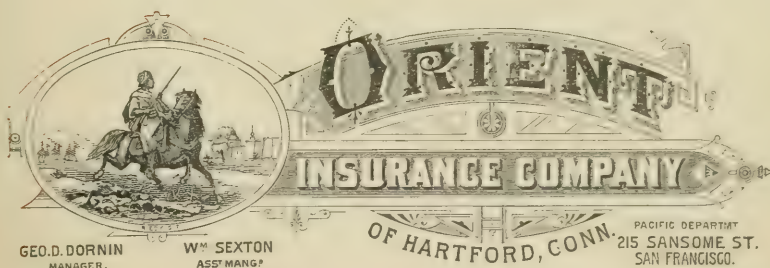
**PACIFIC DEPARTMENT FOR**

**The States of California, Nevada, Oregon, Colorado, the Territories of Washington, Idaho, Montana, Wyoming, Utah, Arizona, New Mexico, and the Hawaiian Islands.**

**GEO. D. DORNIN, Manager.**

**WM. SEXTON, Assistant Manager**

*215 Sansome Street, San Francisco, Cal.*



*Capital, - - - - - \$1,000,000 00*  
*Assets, January 1st, 1886, - - - 1,551,954 00*

**PACIFIC DEPARTMENT FOR**

**The States of California, Oregon, Nevada and the Territories of Washington, Idaho, Utah, Arizona and New Mexico.**

**GEO. D. DORNIN, Manager.**

**WM. SEXTON, Assistant Manager**

*215 Sansome Street, San Francisco, Cal.*





1803

# IMPERIAL

FIRE INSURANCE CO., OF LONDON

(Instituted 1803)

Capital Paid in, - - - - -	\$3,500,000 00
Assets, January 1st, 1886, - - -	9,581,953 00
Invested in the United States,	\$1,589,991 29

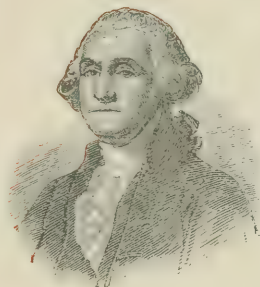
## PACIFIC DEPARTMENT

Having Jurisdiction over the States of California, Oregon, Nevada, Colorado, and the Territories of Washington, Idaho, Montana, Wyoming, Utah, New Mexico and Arizona.

GEO. D. DORNIN, Manager.

WM. SEXTON, Assistant Manager.

215 Sansome Street, San Francisco, Cal.



# WASHINGTON

FIRE AND MARINE INS. COMPANY

OF BOSTON.

Capital Paid in, - - - - -	\$1,000,000 00
Assets, January 1st, 1886, - - -	1,810,273 00

## PACIFIC DEPARTMENT

Having Jurisdiction over the States of California, Oregon, Nevada, Colorado and the Territories of Washington, Idaho, Montana, Wyoming, Utah, New Mexico and Arizona.

GEO. D. DORNIN, Manager.

WM. SEXTON, Assistant Manager.

215 Sansome Street, San Francisco, Cal.

## Digest of Recent Insurance Decisions.

## FIRE.

**INCUMBRANCE—NO EFFORT TO SAVE PROPERTY.**—Phoenix Ins. Co. v. Lapointe; Ill. S. C., October 25, 1886.—The fire broke out a few doors from the saloon of plaintiff, who lived in the rear. He was awakened by the bells and aroused the inmates of the house after learning the location of the fire. Going round to the front of the saloon plaintiff found the street full of people, who volunteered to save the billiard tables, fixtures, stock, etc; but he refused to open the saloon, or make any effort to save his property. A merchant whose store was nearer the fire than the saloon was, arrived and saved a large portion of his goods. When the policy (for \$1,000) was issued to plaintiff there was a chattel mortgage on the property for \$1,000. The defendant refused to pay plaintiff's claim. The defense was: first, that the policy was void because of the chattel mortgage, and because its existence was concealed; second, that plaintiff did not try to save his property at the time of the fire. The jury brought in a verdict for the plaintiff saloon-keeper, "of course," and the company appealed and lost.

*Held*, That at the trial of an action upon an insurance policy, upon the question of notice to the company of an incumbrance on the property, the company offered in evidence a written report by its agent of the risk, made to the company, in which it is represented that the property proposed to be insured was unincumbered; but as it was not made a part of the transaction with appellee relating to the insurance, it being no part of the *res gestæ* and was properly excluded.

*Held*, That wherein plaintiff was permitted to testify what property other than that covered by the policy was destroyed in his building, if it tended to rebut the theory of the defense, that the loss was by reason of the failure of the insured to use his best endeavor to save the property, it was admissible, otherwise not.

*Held*, That under the evidence, the loss was an honest one, without the fault of

appellee, and should be affirmed. Judgment affirmed.

**SURPLUS IN A STOCK MUTUAL.**—Traders & Merchants v. Ephraim Brown *et al*; Mass. S. C., Oct., 1886.—When the stock department of the company went into liquidation the stockholders claimed the surplus of the stock branch of the business, but certain members of the mutual branch objected. The Court decided that the surplus (\$40,000) goes to the stockholders. *Held*, That if the Court should now decree that the mutual department of this company is entitled to any share in these accumulations (stockholders' surplus), all the mutual policyholders, during the thirty years that the guaranty capital has been in existence, will be entitled to their proportionate share of the same. The shareholders have deposited money and created the guaranty fund upon their own risk. If the business had been unsuccessful, they would have been the losers. The mutual department, notwithstanding its by-laws and vote, could not have contributed to make good their losses. The surplus stands credited to the stock department; and it seems to us to be just and equitable that in winding up the affairs of this department, this surplus, together with the guaranty capital, should be distributed among the shareholders of the fund according to their several shares.

**JURISDICTION—COLLECTING TWICE—ATTACHMENT OF MONEY DUE IN ANOTHER STATE—ASSIGNMENT OF CLAIM AT HOME.**—Connor v. Hanover Ins. Co.; U. S. C. C., Mich., Nov., 1886.—A was the owner of property in Michigan, which was insured in a New York company, and she assigned her claim to C after the loss was adjusted. The company refused to pay on the ground that A's creditors in Chicago had attached the insurance money in the Illinois State courts. At the time the suits were brought in Illinois the loss had not been adjusted, and the action in Michigan was prosecuted to judgment, but the judge ordered a stay of proceedings on the judgment to await the result of the Illinois suits and a proper motion in the case before him. After the

Illinois suits were put in judgment, the plaintiff moved to set the stay of execution aside, on the ground that the courts of Illinois had no jurisdiction by reason of the situs of the debt was either in Michigan, where the creditor resided, or in New York, which was the principal place of the debtor. The company, in opposing the motion, showed that it did business in Illinois, as a foreign corporation, under a law which bound it to receive process of all suits against it in the courts of the State, and it insisted that it should be protected against a double recovery on the loss.

Judge Severens, in denying motion, said: "It is clear to me that I should deny this motion, because, though the question of the jurisdiction of the Illinois courts is one of grave doubt, yet the attachments there were brought to recover a just debt of the plaintiff's assignor, which has thus been paid, and that the debtor here should be protected against another recovery on the same claim. But still, I deny the motion without costs, and without prejudice to a new motion before the Circuit Judge or the Circuit Justice of the Supreme Court. The question is one of great doubt, as I have said; the courts of Massachusetts, Connecticut, Maine, New Hampshire, Vermont, New York and Maryland holding that there is no jurisdiction by reason of the situs of the debt, whilst the courts of Michigan, Pennsylvania, Illinois and Kansas admit the construction that though it is the general rule that the situs of a debt is either at the domicile of the debtor or of the creditor, only, yet it is not an absolute rule, but it may be varied by legislation, and that the statutory qualification that a foreign corporation shall do business in a State only upon the condition that it shall be liable to process breaks the operation of the rule and binds the defendant here by the Illinois judgment. It appears to me, however, that the suggestion that a defendant entering, for the purpose of doing business, a State where he is liable to a judgment subject to be duplicated elsewhere, and the debt twice collected, takes the risk of such consequences, is one of the last to be made in the administration of justice in an en-

lightened State, and ought only to be mentioned as a catastrophe found unavoidable after all legal reasoning had failed."

**COMPANY'S LIEN ON ITS SHARES**—*Kenton Ins. Co. v. Bowman*; Ky. C. of A., Nov. 11, 1886.—The company's charter forbade the transfer of stock or the payment of dividend on same so long as the owner of such stock was indebted to the company, unless such indebtedness was satisfactorily secured. *Held*, That the company has a lien upon such stock, and does not waive such lien by accepting mortgage security, unless by express statements or clear implication there was an intention to waive such lien.

**CAPITAL TAXABLE AS A WHOLE**.—The case of the Home Insurance Company of New York, plaintiff in error, against The People of the State of New York, went to the Supreme Court of the United States for the settlement of this question, namely, whether such part of the company's capital as was in the year 1881 invested in United States bonds was properly taxable under the laws of the State of New York. Mr. Justice Woods being ill and absent, but six of the justices participated in the hearing of the case, and these six were evenly divided in opinion; therefore the judgment of the Supreme Court of this State in favor of the validity of the tax stands as affirmed. The question will, no doubt, be again raised in the near future and settled by a full court.

#### INLAND.

**DOUBLE INSURANCE — CONTRIBUTION**. — *Royster et al. v. Roanoke N. & B. S. B. Co. et. al.*; U. S. C. C., N. C.—Plaintiffs, on behalf of their insurers, sued defendant to compel it and its insurers to contribute to a loss on certain cotton destroyed by fire with defendant's steamboat. Plaintiffs were insured for \$3,900, and were paid that sum. The steamboat company had a yearly insurance of \$10,000, payable to said company for the benefit of whom it might concern. They were not floating policies, but policies covering many goods on many trips. After the fire the steamboat company compromised with its insurers by collecting \$4,060.-



89, and applied it to the reimbursement of its uninsured shippers. The plaintiff claimed that there was double insurance, and that the steamboat company's insurers should contribute to the loss incurred by plaintiffs' insurers. *Held*, That plaintiffs were not entitled to recover. Defendant company had a policy for a year covering all cargoes on board, limiting the liability of insurers to the extent of the interest of the insured in the cargo. The steamboat company had no interest in complainant's cotton, and was paid nothing on account of its loss. The steamboat company was under no obligation to insure its cargoes, and did not do so further than to protect its interest for freight charges and loss accruing from the negligence of its employees. That was not double insurance, which makes a proper case of contribution. To make such a case, the property insured and the interest insured must be identical.

#### MARINE.

FOREIGN VESSEL—SUBJECT TO FOREIGN LAW—MARITIME LIEN.—*Barclay v. Sch. Maud Carter*; U. S. D. C., Boston, Nov. 19, 1886.—Under a libel in admiralty to recover \$1,456 for supplies and advances, the vessel was sold and the proceeds paid into the registry of the court. The mortgagee appeared and contested the allowance paid for premiums for insurance, claiming that no maritime lien existed therefor. He also disputed an item for spars furnished in her construction. *Held*, That if the schooner were a United States vessel, the court would reject both items. The claim for spars, under the decision of the Supreme Court could not be recovered in rem, because no maritime lien is recognized for materials furnished in the original construction of a vessel. The only right of lien in such cases comes from State statutes. But the vessel, being British, is subject to British law, and the law must be applied as if in an English court. Under the decisions in the *Riga* it must be held that insurance expressly authorized by the owners is a "necessary" within the English act defining the jurisdiction of the admiralty court, and that, under that act, it created

a maritime lien upon the vessel. The claim for payment for spars used in the original construction of the vessel must also be allowed, because the English admiralty would allow it as a lien upon the vessel.

#### LIFE.

INSURABLE INTEREST OF A "STEP-COUSIN"—*Marston v. Ala. Gold Life Ins. Co.*; Tenn. C. of A., Oct., 1886.—"Did the plaintiff have an insurable interest in the life of the deceased? The mere circumstantial relations of the parties, *familie propinquitas*, do not support her claim on this behalf. That is to say, from the single fact of a relationship which the law of affinity tolerates but does not in terms designate, there may be inferred no legal obligation to support nor any claim to be supported; but the general drift of the evidence as disclosed by the record is to the effect that for some years prior to his death the assured did treat the plaintiff as a member of his family, supplying her with necessities, discharging debts incurred by her, paying for her education, and in all other ways showing consobrinic affection and purpose. Thus arose, *ex necessitate rei*, a valid, subsisting and pecuniarily measureable interest to the plaintiff in the continuance of the life of the assured; and such interest, upon the leading American authority, (*Rouse v. Life Ins. Co.*, 19 S. C. C., 48) well supported in reason and by the general weight of subsequent adjudications, was undoubtedly sufficient to sustain the policy in the case at bar. Concerning the other points raised by the learned counsel for the defendant—the allegations of fraud in respect of the age and cause of death of the assured's great-uncle, and the assured's intemperance, his various diseases, his irregular marital relations, his suicide and death while in violation of the law—all these may be dismissed with the single remark that there is nothing in the record as touching them or any of them to justify this court in reversing a judgment which seems consonant with equity. *Caveat fur* is the maxim applicable throughout.

COMPELLED TO PAY A POLICY TWICE.—*Gonegal v. Manhattan Life Ins. Co.*; U. S.

D. C., N. O., Nov., 1886.—Plaintiff's father insured his life for \$10,000 for her benefit when she was an infant. When she was three years old, he died, and with the consent of her mother the insurance money was paid to W. & W., a commission firm. W. & W., who have long been out of business, never accounted for the money, but the company has the receipt signed by the mother of plaintiff. The court ordered the policy paid again, and the company of course appealed.

### Litigious Knights of Honor.

The New York *Herald* of November 20th contains accounts of three suits against the Supreme Lodge of the Knights of Honor, brought by widows of members of that fraternal insurance society. Mina Marck's claim was resisted on the ground that her husband was expelled from his lodge on the 8th of April, 1884, because he had been guilty of immoral conduct. Marck died on the 25th of April, 1884, seventeen days after the expulsion. That brief interval makes the act of expulsion appear to have been a cold-blooded swindle. Marck was sick and likely to die, so his fellow-Knights of Honor cast him out, hoping, by the aid of a by-law, to cheat the widow out of \$2,000. Judge Shipman of the United States Circuit Court took a similar view of the matter, and directed the jury to bring in a verdict for the plaintiff (the widow), for \$2,400, which was accordingly done.

The second case was that of Augusta Sem, in the same court. She claimed \$2,000. The lodge of which her husband was a member, contended that he had previously been rejected by the medical examiner of another lodge, and that the widow, under a by-law, could not recover. Sem, the plaintiff said, never received any information of his rejection. The jury promptly gave a verdict for \$2,000 and interest.

In the third suit, Margaret Hamel sought to recover \$2,000. Her husband, the defendant alleged, had been suspended from all benefits of the order about ten days before he died. This was a suspiciously short

time, but Judge Shipman directed the jury to return a verdict for the defendant Knights of Honor.

### The State Insurance Company.

THE SALEM SWINDLE—EXORBITANT CANCELLATION RATES—WAYS THAT ARE DARK.

The letter written by the ex-cashier of the State Insurance Co. of Salem, Oregon, printed in the October COAST REVIEW, must have been a bombshell in the camp of that bushwhacker. The ex-cashier, C. H. Cottle, a relation of W. H. Cottle, the Secretary, had trouble with the latter and was "bounced," and in return exposed the fraudulent pretensions of the company. His statements as to the capital must be accepted as authoritative, for his position as cashier placed him in possession of all the facts. He charges the officers with perjury in reporting \$50,000 cash capital, and declares that the stockholders have paid only \$7,500. The company advertises \$100,000 capital, and \$84,737 surplus; but reports only \$10,000 to the county assessor. It is evident that perjury is a mere pastime with the officers of the company, who have become skilled and hardened in villainy by cheating numerous policyholders.

The State Insurance Co. of Salem is a swindle. Its paid-up capital is a nominal sum, its assets are a mere bagatelle which affords no indemnity to its duped policyholders. Its financial statements are false and misleading. It has not the resources and does not the business which it claims. It has made a bad record, making exorbitant cancellation charges, compromising with claimants, and exacting recommendations as a condition of even partial payments.

Claiming to write only on good detached risks, private dwellings and farm property, the State Ins. Co. writes on such hazardous risks as hop-kilns and hotels. On December 11, 1885, it incurred a \$2,800 loss at Meacham Station, Or., on a railroad hotel which was largely overinsured. The company limits its liability, in its policies, to three-fourths of the value of a building, but its rates are for full value, and it encourages

overinsurance and incendiarism by writing as large a sum as the insured will ask.

The cancellation rates of the company are extortionate; the policyholder who wisely cancels is robbed. Ernest Matthiès, of Oregon City, distrusting the company, cancelled two policies in it. The cancellation rates in any legitimate company would have been only \$14.62. Secretary Cottle, of the State, exacted \$48.70 from Mr. Matthiès. The *Lance*, of Salem, reports that W. M. Millsap canceled a three-year policy at the end of seven months. The premium was \$18.75. The regular short rate (32½ per cent.) would have been less than \$6.25. The State Ins. Co. charged Mr. Millsap \$11.00, or nearly twice as much as any legitimate company would. The school directors at Clackamas Station paid the State Ins. Co. \$40 premium on a five-year policy, on a school-house, and canceled at the expiration of eight months. The short rate in force on this Coast for that time on a five-year policy is 23 per cent. That would be \$11.50, but the State Ins. Co. charged \$27.00—a clear steal.

Thomas F. Fouts, of Tacoma, W. T., was insured in two companies, one of which paid his claim in full and promptly; the other company, the State, forced him to accept one-fourth of his claim, and did not pay him that for five or six months. He denounces the company as "a grand fraud."

J. J. McCready, of Tacoma, W. T., insured his dwelling in the State Ins. Co. for \$600. It was destroyed by fire, but the company paid him only \$336.75, and would not pay him that sum until he signed a recommendation of the stand-and-deliver fraud which had cheated him out of \$273.25.

A. S. Slippey, of Salem, Or., insured his house and furniture in the State Ins. Co. for \$325. The house burned, and Mr. S. notified the company, with the request that they adjust the loss. No attention was paid to his request. He visited the office, and was tendered \$70 if he would sign a statement that the company had paid him in full. He refused to do so, and threatened a law suit. Thereupon the courteous Secretary replied that he "would snatch

him bald-headed if he attempted to do anything." The fire occurred on the 16th of November, 1885. On August 12, 1886, the claim was placed in the hands of an attorney for collection.

Mrs. Augusta Warner, living on a farm five miles south of Salem, was persuaded to insure her house and barn in the State Ins. Co., giving her note for the premium, with the distinct understanding that if unable to meet the note when due she should not be pressed for its immediate payment. Failing to pay the note when it matured, her piano was seized by the sheriff, and to secure its release she borrowed \$134 to pay the note and costs of suit and seizure. This was bad enough, but not the worst. Unfortunately, her house burned. It was insured in the State Ins. Co. for \$800, but the company refused, and still continues to refuse, to pay the widow's claim.

W. E. Mitchell bought a house near Salem, and a policy (\$700) in the State Ins. Co. was transferred to him, and the transfer was accepted by the company. The house and contents were afterwards burned. The contents were covered by a policy in the Royal, and the loss thereon was paid in full at once. The State Ins. Co. offered to pay \$133.32 of the \$700 claimed, if Mr. M. would sign a receipt *in full* and endorse the company. He declined its offer, and has not yet received a cent from it.

J. F. Liggett, of Salem, incurred a total loss on a house appraised at \$1,500. His policy in the State Ins. Co. was for \$1,000, but he had to accept a compromise of about one-half, and sign a receipt expressing himself satisfied.

The following paragraphs are taken from the *Lance*, which has undertaken the by no means severe task of puncturing the State Ins. Co. bubble:

The State Insurance Company say in their circular, that they have paid for over 100 homes in Oregon, and in their list of fires given by this company show that they have had 105 fires. For 26 of these Oregon homes the State has paid not to exceed \$25. Some of the noble Oregon homes insured in the State have been settled for \$2, \$2.50, \$3, and some for \$3.70, according to the published statement of this noble Oregon company.

If the State Insurance Company are so honest



and anxious to pay their losses we would inform them that a policy calling for \$325 has been left in our hands for collection—we wouldn't take 25 cents less for it. That policy cost the poor man just \$12.25, and unless his loss is settled, every cent of it, we shall always think that they obtained said \$12.25 under false pretenses. Settle up or shut up!

The days of this pestiferous Salem swindle are evidently numbered. It has done a large five years business, the losses on which are coming in rapidly, with no premiums to offset them. The company has managed to lead a precarious life for a brief while and put money in the purses of unprincipled managers and not too scrupulous stock-holders, through this term business and at the expense of cheated claimants; but the evidence of a worthless company and a rascally management is now so public that few can be found so ignorant as to buy a State Insurance Company's policy at any price. When the company fails, there will not only be a number of loss-claimants who will receive nothing, but the policyholders who have given their notes will doubtless find those notes in the hands of purchasers who will enforce their collection. Such was the fact in the case of the California Mutual Ins. Co., a similar fraud, which lived a brief career in this State. The people of Oregon should take warning in time.

### A New Zealand Life Agent Sued for Libel.

A New Zealand life insurance company, the National Mutual, recently brought suit against a canvassing agent of the Government Life Insurance for libel. It was alleged and proved that the agent, Francis Loudon, had said that the National was unsound because it paid something like 31 per cent for new business; that no sound company could pay over 20 per cent. of its income for new business; that it insured lives without medical examination; that several of the largest policyholders had left the company because of the rotten state of things disclosed by the last balance-sheet; that the company was bound to fail sooner or later. An expert testified that a medical examination was necessary for life policies,

but not for endowment policies. The libeling agent undoubtedly wished to convey the idea that the National Mutual issued life policies without a medical examination, whether he said so or not. Another expert testified that endowment policies were not risks on the lives of policyholders. Such risks were held by the policyholders themselves, and there was no impropriety in taking such risks without medical examination. The defendant denied that he had said the company was unsound, and claimed that he merely quoted from the Institute of Actuaries that the payment of over 25 per cent. of the annual income for new business endangered the security and stability of a company. The jury were out an hour and returned with a verdict for the defendant company on the first count. The damages assessed were one shilling, a nominal sum which, we presume, includes the costs. As the costs were considerable, the defendant agent and the class he represents are taught a salutary lesson by this trial.

### Mutual Benefit Life Association of America.

THE COAST REVIEW CHARGES ARE UNANSWERED.

Some time ago the agent of the Mutual Benefit Life Association of America handed us a circular setting forth the claims of that New York hat-passer, and asked us to investigate. The first sentence of the circular was: "You are invited to examine with the *severest criticism* the following statements respecting the above organization." We did as requested, and printed the result of the examination in the October COAST REVIEW. Our good nature is rewarded with a threatened libel suit for \$25,000 damages, based on the "severe criticism" which the association invited. It is the special ambition of the COAST REVIEW to be sued for libel by some co-operative fraud, but frequent disappointment forbids the indulgence of hope.

This little company, with a very big name, has issued a circular to "our Western members," in reply to the "most libelous attack" of the COAST REVIEW. All the charges

are declared to be "direct, deliberate and willful falsehoods," and the editor's self-esteem is irrecoverably crushed by the assertion that he "made up in malice what he lacked in brains." The association, recognizing the deserved odium of the word, even denies that it is a "co-operative." It is a "purely mutual company!" but as it levies assessments and collects fees and dues, the "distinction" is without a difference.

The wholesale denial of the Mutual Benefit Life Association will not suffice the intelligent members. The charges preferred must be answered specifically and without evasion. The association, in its circular, ignores the principal points in the criticism, and misrepresents this journal. Any intelligent member, comparing the attack and the defense, must reluctantly admit that the nature of that defense is an admission of its weakness, and a confirmation of all the salient charges preferred by the COAST REVIEW.

We repeat, that the management of the association is extravagant, inasmuch as the expenses were over 50 per cent. of the total amount received from members; that the "reserve fund" is subject to the check of the officers of the association, and that the "trust company" having said fund is therefore virtually a bank of deposit; that the New York statutes do not protect the members of this hat-passer; that the "table of estimated cost" of insurance in the association is a gross deception; that the association promises what its managers know cannot be fulfilled; that the figure-head directors do not guarantee the ability of the association to meet its obligations; that the managers lie when they say that similar associations have been in successful operation in England over 150 years; and that the association is engaged in circulating an impudent falsehood to the effect that fourteen British old-line life companies (names and funds given) are co-operatives, or assessment associations, similar to the Mutual Benefit Life Association humbug. We repeat all these charges, and challenge the managers to disprove any of them. Bring on your libel suit!

### Steam Pipes and Woodwork.

The Fire Underwriters' Inspection Bureau of San Francisco has just issued the following circular on the contact of steam pipes with wood:

In view of frequent fires resulting from steam pipes in contact with wood, it is desired to call the attention of property owners, architects, builders, and all persons having such work in charge, to the great danger from such pipes, and to ask their co-operation, that in all new work such pipes shall be so placed as to comply with Order No. 1752, Section 28, City and County of San Francisco:

"No steam pipes shall be placed closer to wood than three inches, and if said space is objectionable it shall be protected by a soapstone or earthen ring or tube."

It is evident to all that steam pipes do not directly set fire to wood, but that they will reduce wood to charcoal is proved by the finding of several hundred instances in this city.

Professor C. T. Jackson, a well known scientist, in an experiment for another purpose, placed small vessels of gunpowder and charcoal on a stove to dry, and presently removed the charcoal in a paper to a table and left the room. On returning, he found the charcoal burning, while the powder still on the stove, was unexploded. On another occasion a piece of charcoal was consumed in a similar manner, after being subjected to a heat which did not boil water.

Edward Atkinson, a well known authority, has in his possession wood turned to charcoal by heat of hot water only; also a portion of a sill from a hotel in Woonsocket, R. I., through which a steam pipe was carried, which set fire to the building in less than a year. A steam pipe packed in charcoal to cross a yard, set fire to the charcoal in twelve hours.

Experiments for the purpose show that fire results from slow chemical reaction after wood has become charred, under certain conditions liable to be present in any case where steam pipes are in contact with wood.

### Boiler Explosions.

During the 12 months ended June 30th, 1886, preliminary inquiries under the Boiler Explosions Act, 1882, of Great Britain, have been held in 57 cases. This is the largest number of explosions reported in any of the four years during which the act has been in operation; but whether the increase is real, or is merely the result of a more general knowledge on the part of steam users with regard to the requirements of the act is uncertain. Although there was an increase in the number of cases, the life lost per case fell below the average of the three previous years, the figures for the four years being:

Year.	Cases.	Lives lost.
1882-3.....	45	35
1883-4.....	41	18
1884-5.....	43	40
1885-6.....	57	33

In addition to the number of persons killed there were 79 persons injured by explosions in 1885-6. Of the boilers which exploded 16 were in use on board steamers and fishing smacks, and the remainder were used for various purposes on shore. The following is a general classification of the causes to which the explosions are attributable:

	Cases.
Deterioration, corrosion, safety-valve defective, etc.....	32
Defective design or construction.....	16
Ignorance, neglect, or carelessness of attendants.....	6
Miscellaneous.....	3

Of the 57 explosions, 56 per cent. were owing to culpable neglect. Six cases were owing to the ignorance of the boiler attendants. In ten cases the boilers were under the inspection of boiler insurance companies, and seven of these ten boilers were defective when accepted by the companies. This fact is a severe reflection upon the inspection system of the British boiler insurance companies. We have been inclined to advocate compulsory insurance of boilers, in the belief that such insurance would, in a large degree, secure that thorough inspection and care which will prevent the explosion of any boiler; but the foregoing indicates that in Great Britain,

at least, the inspectors of the boiler insurance companies are criminally inefficient, and the inspection system, therefore, is a dismal failure. The companies evidently find it more profitable to hire cheap help and pay the resultant losses.

### Marine Rates.

#### WAR OF RATES BETWEEN ENGLISH AND "CHINESE" COMPANIES.

As will be seen from the following copies of communications which have lately appeared in the *London Times*, war has been declared by two large English marine insurance companies against Chinese bonus-paying companies. No doubt this action of the Marine and the Alliance Marine insurance companies will soon be followed by all European insurance companies, and ultimately extend to American companies who come into direct competition with bonus-paying companies.

The complaint of the English companies against their Chinese confreres we think is fair and just; for under the peculiar system of the English brokerage business, the inducements held out to shippers by bonus-paying companies for a problematical participation of their profits is really nothing more than offering such profits to the broker as a bid for his business; or in other words, paying an extra 20, 25 or 30 per cent. brokerage (*i. e.* bonus) as a pull for his whole business. The middleman (broker) who can command \$100,000 annual premiums is very likely to be greatly influenced in his preference of companies, when his interest tends to a 5 per cent. commission (\$5,000) and at end of the year an additional 25 per cent. brokerage.

We must consider that the English mode of transacting business is quite different from our own. We are brought into direct connection with the assured; English companies generally know only the broker. Insurers employing brokers rarely know even the name of the company insuring them, simply receiving a slip of notification that their interest had been covered. Even when a loss accrues thereunder, the insured rarely knows the name of the company.



The English broker is responsible not only to the company for the premiums, but to his clients for any errors or false covers that he may make in their behalf. The insurer employing a broker's services therefore feels perfectly secure, in receiving his slip, that the insurance given has been covered. Under such circumstances is it to be wondered at that the brokers should swing their business into companies from whom they get a return of from 20 per cent. to 33½ per cent. of their entire premiums paid into that office, which it is presumed is passed to their individual bank account?

We have seen a letter from a company (represented here) to its London agents, drawing their attention to the fact that in accordance with a bonus declared by a certain Chinese company they were entitled to a certain amount of dividends upon business given to the company during the year. The London representatives replied that such business given had been placed by their brokers, and according to the English customs they (the brokers) retained such business. The company replied that it did not care for the English customs; that the agents should demand their proportion of bonus due them; which was finally returned.

We do not know how the English companies will succeed in offering to rebate to the assured a discount of 33½ per cent. on present rates. We have known of cases in this city where companies competing with Chinese companies have offered a certainty of 30 per cent. rebate off of current rates, which has been refused for the uncertain 25 per cent. that may be declared by a bonus-paying company. Would the shipper refuse this offer?

We have in America a few companies who profess to return to their customers a share of the profits of their business, but to all but the middleman it is nothing more than a delusion and a snare. A very large New York company, which does about one-half of the marine business of that city, has for years returned to its customers 40 per cent. of their premiums. The immense success of this company has been owing principally to large shippers, who have charged their

customers the gross rate paid to these companies.

Many first-class stock companies are willing to accept the business placed with these mutual companies at 40 per cent. less than paid them. In fact, we know of business of the present time being effected with stock companies at 40 per cent. less than the rates charged by mutual companies. From these facts it seems that mutual and bonus-paying companies are doing business for the benefit of middlemen purely; for the latter, if they are governed entirely for the interests of their clients or customers, would decidedly take advantage of the lowest rates offered by a good company, rather than count on a problematical return of the difference between such rate and the advance of bonus charged by the mutuals.

Following are the circular and correspondence referred to:

THE MARINE INSURANCE Co. (Limited),  
20 Old Broad Street, London, E. C.,  
8th Oct., 1886, }

CIRCULAR.

DEAR SIR: I beg to submit for your consideration a tariff of the rates of premium, at which this company is prepared to issue policies to China and the Straits, and which can be made payable here or abroad.

These rates (subject to the usual allowances of 5 per cent. for brokerage, and 10 per cent. for discount), have been fixed with the intention of showing in one operation the estimated net cash value, at the present time, of the risks for which they are quoted. It is thought that insurers will prefer this system to that under which a bonus is promised, but the payment of which is deferred until the result of an underwriting account is known, and is therefore contingent upon its success.

It must be borne in mind, that the assured is not always credited with the ultimate bonus, which is sometimes passed to the account of third parties, and that by the payment of an immediate net rate the possibility of such a diversion of profit is avoided.

I am, Dear Sirs,

Your Obedient Servant,

T. A. WHITE, Underwriter.

## TARIFF.

	STRAITS	HONG KONG	SHANGHAI & JAPAN
	F. P. A.	F. P. A.	F. P. A.
Peninsular & Oriental Stp. Nav'n Co. & Strs.	7 6% old rate 6 3% new	12 6% old rate 7 6% new	15 1/2% old rate 10 1/2% new
Messageries Maritimes Hols. Glens & Mutuels	10 1/2% old rate 7 6% new	15 1/2% old rate 8 9% new	17 6% old rate 11 3% new

The following has appeared in the money article of the *London Times*: Considerable attention is now being given in the city to a matter which is causing great ferment among marine underwriters and merchants connected with China and the East. In the early part of this month two old-established and respectable marine insurance offices—the Alliance Marine Assurance Company and the Marine Insurance Company—issued circulars announcing their readiness to accept insurances to China at very great reductions in the current rates of premium. Such an unusual step on the part of marine offices of good position and repute is said to have resulted from the aggressive action of certain marine companies whose head offices are abroad. Some years ago merchants in China determined to secure for themselves a portion of the profits which were being realized by underwriters when the rates of premium between England and China were very lucrative. They therefore founded marine offices in some of the Treaty Ports upon the system of returning a fixed percentage of profits realized to the insured. This return is called a bonus, but it is really a deferred rebate of premium contingent upon profits and fluctuating with them, because it is calculated upon the amount of premium paid and not upon shareholding interest. Under this system it is possible for the largest recipients of premiums returned to have little, if any, responsibility for the liabilities of a company should its operations at any time result in loss, and there is thus a divorce between profit and responsibility.

The above-mentioned London companies

—and we understand that a great many other English underwriters are adopting the same course—propose to discount the rebate of premium by accepting insurances at rates in which an equivalent present deduction for it is made; and, if such present deduction be a fair equivalent for the deferred repayment, it is obvious that the immediate net rate is preferable. More especially is this so if, as is alleged, the real insurer does not always receive the deferred rebate, and if it is credited to the agent through whom the premium is originally paid, who has thus an inducement to divert as much business as possible to an office from which he has large reversionary expectations. If such a practice does exist, it may perhaps be asked whether a company, having engaged to return a certain percentage of profit on premiums, can alienate it to a third person except with the knowledge and consent of the principal; and it is still more questionable whether an agent, or any one acting in a fiduciary capacity, can without hazard to himself, accept such an alienation except under similar conditions of approval. The foregoing remarks are based upon what is alleged by the London companies, and it is probable that the China companies can make a sufficient answer to them. If so, they will not hesitate, we presume, to accept a challenge which has been offered to them in such a public manner. The mercantile community is directly concerned in the issues which have been raised, and will watch their development with interest. In the mean time there would seem to be for underwriters the prospect of an area of conflict in rates, by which it is probable that insurers will be the chief gainers.

The following refers to the system of bonuses paid by the China insurance offices to the insurer. No doubt, the opponents of the mutual companies never believed their principle of doing business would succeed. Now that they find it does, the question arises for them, Are they strong enough to remain indifferent, or must they also adopt the practice of giving bonuses in some form or other to their customers?

"UNION INSURANCE SOCIETY OF CANTON  
(Limited), 9 Royal Exchange, E. C., }  
October 26.

SIR: I am very glad to have the opportunity, afforded me by the city article in the *Times* of to-day, of placing clearly before the mercantile public the facts of the case with reference to the constitution and working of the offices described therein as 'certain marine companies' whose head offices are abroad. As the representative in London of one of the oldest of the China offices, a company which has now for more than fifty years conducted its business with continuous success on the mutual or co-operative system, I feel assured that the actual working of that system needs only to be clearly understood by the mercantile world to insure it a largely-increased support, not only from merchants and shippers to and from the East, but from any insurer to any port of the world, who has business to offer of a profitable nature.

The system adopted by the 'non-bonus,' or, as they might very properly be termed, 'capitalist' offices, consists in paying over the whole of their divisible profits year by year to the investing share-holder by way of interest on his investment, and the merchant or shipper who brings to the office the business which creates those profits receives from them no benefit whatever.

The system adopted by the China offices, on the other hand, is the co-operative principle, pure and simple. After paying the working expenses of the year and providing adequately for a reserve fund, a portion of the profits is paid to the shareholder in his capacity of investor sufficient to yield him a fair rate of interest on his investment, but the bulk of the profit is distributed among the constituents of the company, merchants, shippers and others, by way of a percentage return (or bonus) on the amount of premium which each one of them has paid during any given year.

Let a comparison be taken where in each case the insurer pays the market rate. The difference is simply this, that, while in the case of the 'non-bonus' offices the capitalist pockets all the profit, in the case of the 'bonus' offices the insurer gets his fair

share of the profit which he has helped to create. In the former case the investor alone benefits, and the insurer (as such) gets nothing; in the latter case the insurers are themselves an association of underwriters, and retain for themselves the profitable results of their co-operative underwriting.

With regard to the statement in your article that 'the real insurer does not always receive the deferred rebate,' I have simply to remark that the bonus office obviously knows only the man who brings the risk and pays the premium thereon as the proper recipient of the bonus. The bonus system adopted by the China offices is patent to all the world, and, if in any case third parties are interested, it is a matter that lies solely between them and their agents.

In conclusion, I would unhesitatingly claim for the system set forth above, which gives the worker a fair share of his earnings, as opposed to the antiquated method of giving all to the mere capitalist, that the former is the system of the future, and that it is certain to prevail.

This, in fact, is my complete reply to the 'challenge' which, as your article states, has been offered in such a public and, I would add, unprecedented manner. The bonus system is the true one, and it will triumph in the end. *'Magna est veritas et prevalebit.'*

I am, Sir, your obedient servant,

M. P. JUKES,

Agent for the Union Insurance Society of  
Canton (Limited)."

The following is a reply to Mr. Juke's letter:

LLOYDS, Oct. 27.—"SIR: Mr. Juke's letter, as well as your own editorial remarks, seems to treat the question at issue between the China companies and the so-called 'capitalist' companies as simply one of competition between the 'mutual' or co-operative system and that ordinarily in vogue. But it really is not so. What private underwriters, as well as London companies, complain of is the temptation offered to agents, or third parties, not only to choose the bonus companies in preference



to all others, but also to pay them premiums higher, often far higher, than those current elsewhere. You will, of course, reply that any principal can, by an action brought against his agent, prevent the latter's appropriating the bonus (or, as it ought to be called, the return of premium) due only to himself, as well as any excess of rate. But it is remarkable how long the system has prevailed without any such case coming before the law courts. What we desire is simply that the China companies would pay no bonus to any one who has not proved himself to be the party who paid the premium.

"Your obedient servant".

"J. W. JANSON."

The following letter further replies to that of Mr. Jukes in Tuesday's article. If what the writer of this letter says is correct, the China offices could not afford to pay bonuses at all if the insurers who employ agents understood their business. It is the middlemen in reality who get the bonus:

"20 OLD BROAD STREET, Oct. 28.

SIR: I am glad that Mr. Jukes has taken up the challenge which was offered to the China offices. He is so able a representative of them that he has probably made the best defense possible, and it is a pleasure to me to have so courteous an opponent, my only regret being that there should be any question upon which he and I find it necessary to join direct issue.

I do not propose to deal at any length with the comparison which he has instituted between the English and China offices, nor do I think his mode of doing it is likely to remove any of the tension already existing between them. He poses as a sort of Socialistic underwriter, and is hard upon the capitalist; but, as a matter of fact, the China offices are capitalists as much as the English, as his own description of them shows. Of course, if they can command exceptional business at preferential rates, they may well agree to return some time in the future the additional or excess premiums with which they are intrusted. It is possible that English un-

derwriters, given the same condition of things, would be equally liberal; in fact, they might be tempted to go a step further, and give back with the principal its accrued interest. In your editorial remarks it was shown that these companies are really not upon a mutual basis since responsibility is dissociated from profit, and, without intending to give any offence, I should describe the system as a hybrid mutuality, having in it the germs of possible irregularities. To real mutuality it would be childish to take exception, and, so far as I know, no one does so. If A can insure at  $\frac{1}{2}$  per cent., and pleases to pay  $\frac{5}{8}$  to  $\frac{3}{4}$  per cent., in the hope of receiving an eventual return greater than the excess of premium so paid, no one is entitled to object. But if A, acting as agent for B, pays  $\frac{5}{8}$  or  $\frac{3}{4}$  per cent., instead of  $\frac{1}{2}$  per cent., in order to secure for himself the eventual return of premium, the case is essentially different, because A. sacrifices B.'s interest to promote his own. Mr. Jukes, in referring to this crucial weakness in his system, pleads first that he does not know A. to be an agent, and then weakens the force of this plea by another—viz., if A. is not entitled to it, let him settle the point with B. To the first plea, I say that in many cases it is common knowledge that a man is only acting as agent, and in other cases a competent underwriter, like Mr. Jukes, could always, by a judicious question or two, elicit as much information on the subject as it is requisite for him to have. To the second plea, I reply that it seems to me to be undignified and unworthy of so respectable a body of men as the China underwriters to say in effect, 'There is a return of premium; It belongs to one of you; decide between yourselves who is to have it.'

This dealing with third parties as principals gives English underwriters, as they think, legitimate cause for complaint against the China offices. Your correspondent, Mr. J. W. Janson, wonders, in the *Times* of to-day, why no steps have been taken to test the matter; and in view of the decision of '*Williamson v. Barbour*,' it is perhaps surprising that nothing has been done in this direction. We English underwriters

contend that an office, by crediting A., as agent, with the eventual return of premium, holds out an inducement to him to take all possible business to it, and we further contend that he may be thus tempted to pay higher rates than are current in the market, and this to the detriment of B. This we decline to regard as legitimate competition, and we ask for nothing else than a fair field and no favor.

I am, your obedient servant,  
THE UNDERWRITER of the Marine Insurance Company (Limited)."

The following replies to the letters which have recently appeared on the question of the bonus system in the marine insurance business:

UNION INSURANCE SOCIETY OF CANTON,  
(Limited,)

9 Royal Exchange, London, Oct. 29.

Sir: I had not proposed to trespass further on your space in the discussion as to the relative merits of the "co-operative" and "capitalist" systems of marine insurance, but there are just two points in the respective letters of Mr. Janson and of the "Underwriter to the Marine Insurance Company" on the subject with which I will ask your leave to deal in what must be my final utterance in this controversy. The first point relates to the unhappy middleman (the "red herring" of the occasion, drawn across the trail to throw the mercantile public off the true scent); and the second is the question of a (supposed) preferential rate of premium, obtained, as is alleged, by the bonus offices.

With regard to the first point, allow me to say that in the large majority of instances the insurers with bonus offices are the principals themselves; but no doubt in a few cases the business comes through an agent. In such a case the agent is made solely responsible to the underwriter for the payment of premium, for every farthing of which the law holds him alone liable, even though his principal, through insolvency or otherwise, should fail to recoup him. It can scarcely be contended that, supposing him in other respects qualified to share in

the final distribution of profits, the bonus office could, under such circumstances, make the bonus return to any one but to him. What, may I ask, do the Marine Insurance Company, for instance, themselves do in such cases, with respect to the extraordinary discount of  $33\frac{1}{3}$  per cent. offered by them (in lieu of bonus) to all insurers, as per their Foochow agent's circular of May 15, 1886, now before me? This touching solicitude as to the rightful disposal of the bonus has, however, its ludicrous side, when it is remembered that the grand object in view is to prevent any one from getting any bonus at all!

With regard to preferential rates, I would say that in these days of keen competition, it is not found that any one, whether principal or agent, is disposed to pay more than the market rate.

It may happen just now, when the regrettable action of certain London underwriters has led to the fixing of rates to the East, not on a scale commensurate with the risk, but in a mere spirit of hostility to rival offices, that an insurer, if a principal, might be willing to pay his own bonus office a slightly higher rate; and, if so, no one has any right to question the course he chooses to take. But the agent, least of all men, will consent to pay more than current rates, and, as a matter of fact, the rates obtained by the bonus offices on insurances effected by agents are those current with the leading London offices. Before leaving this subject of agents, principals, and preferential rates, I cannot help asking, in conclusion, whether the actual origin of the present war of rates, the *belli teterrima causa*, was not, in fact, the acceptance in Australia by a bonus office from a principal of business on bonus terms at the identical rate charged by a non-bonus office? Speaking generally, I may say that the bonus offices being, as they are, far more cheaply worked than many other offices, can well afford to accept good business to or from any part of the world at the same rates which the non-bonus offices find to be remunerative. If any of your readers, being insurers, are disposed to test the truth of what I have said under this head, the way

lies open to them, and "the proof of the pudding," after all, "is in the eating."

I am, Sir, your obedient servant,

M. P. JUKES,

Agent for the Union Insurance Society,  
of Canton (Limited).

### "As Usual!"

#### A KENTUCKY CO-OPERATIVE "KICKS THE BUCKET."

The Excelsior Mutual Relief Association of Louisville, Ky., which some time ago absorbed the People's Mutual Relief Association of Ga., was recently forced to wind up its affairs by a heavy death rate. The trustees succeeded in reinsuring in a New York hat-passer all the members who could pass a medical examination, but the many who could not pass the examination are left without even the "make-believe" insurance of the co-operatives. It is tough, but natural. It is another warning to men who take such chances when they depend upon "cheap life insurance at cost." We clip the following from the trustee's address to the members of the defunct Excelsior:

The trustees of the Excelsior Mutual Relief Association state that they came into the management of the association in the summer of 1885. They soon found that the mortality was greatly in excess of the rates laid down in the tables. They first thought that this might be only for the time, and that a lesser rate later might restore the average, and started out to increase the membership and build up the association. It was found, however, that the rate of mortality was increasing rather than diminishing, and they were forced to the conclusion that the standard of membership must be far below that of well-managed organizations. The applications were taken to New York, and efforts made to re-insure the members as a whole. But it was found that the membership of the People's Mutual taken in without medical examination by our predecessors would not be received by any organization that promised permanent security without medical re-examination. Efforts were then made to join with other associations and thereby gain a large membership. After thorough investigation it was found not practicable. It was impossible to pay claims in full without making additional assessments, and they would in time become too heavy for the members to stand, and it is very unsatisfactory to the trustees and beneficiaries to pro rate the death claims.

### Retaliatory Legislation.

#### THE UNITED STATES SUPREME COURT AFFIRMS ITS CONSTITUTIONALITY.

On November 14th the United States Supreme Court rendered a decision in the retaliatory tax case of the Fire Association of Philadelphia *versus* the people of the State of New York. The question at issue was the constitutionality of what is known as retaliatory legislation. It was contended by the plaintiff company that the vitality of the law depends upon the legislation of some other State, and that it is therefore not in and of itself a complete expression of the legislative will, making the law of the State determined, not by what the legislature itself says, but by the varying enactments of other States; that it conflicts with the principles of equality of taxation required by the State Constitution; that it conflicts with the Fourteenth Amendment to the Federal Constitution, which provides that "no State shall deny to any person within its jurisdiction the equal protection of the law."

The constitutionality of the law was affirmed by the United States Supreme Court with only one dissenting voice.

The law in question was passed by the New York Legislature in 1865, and provided that if any other State should impose on New York insurance companies doing business within the limits of such State a higher rate of license or taxation than that imposed by the State of New York upon its own companies, the superintendent of the New York Insurance Department should have the right to collect from the companies of such State doing business in New York an amount of license or tax equal to that collected in such State from New York companies. There are similar retaliatory laws in California, Kansas and other States. In 1873 Pennsylvania passed a law imposing a discriminating tax on "foreign" companies, and the New York law was thereupon enforced against the Pennsylvania companies.

The New York Board of Fire Underwriters, anxious to test the legality of retaliatory laws, obtained the consent of the



Fire Association of Philadelphia to represent the defense. Between three and four years ago the case was taken to the Supreme Court of New York on an agreed statement of facts, and the court decided in favor of the company. This judgment was subsequently reversed by the New York Court of Appeals.

The United States Supreme Court holds that the above quoted clause of the Fourteenth Amendment has no application to the case; that this Pennsylvania corporation came into the State of New York by consent of the State, with a license granted for a year, and has received such license annually to run for a year, and it is within the State for any given year under such license and subject to the conditions prescribed by statute. The State having power to exclude entirely, has the power to change the conditions of admission at any time for the future, and to impose as a condition the payment of a new tax or a further tax as a license fee. If it imposes such license fee as a prerequisite for the future, the foreign corporation, until it pays such license fee, is not admitted within the State, or within its jurisdiction. The Pennsylvania corporation was at all times subject, as a prerequisite to its power to do business in New York, to the same license fee which its own State might impose on New York companies doing business in Pennsylvania. By going into the State of New York in 1872, it assented to such prerequisite as a condition of its admission within the jurisdiction of New York.

#### From Australia.

SYDNEY, Nov. 4, 1886.

EDITOR COAST REVIEW: I am obliged to you for your note of 10th Sept., but the Anglo-American went up here as soon as your July number arrived. I took it to the *Herald*, which inserted the first paragraph, and that settled the business.

Colonel Hamlink has been missing since. Report says he has gone to Java. Besides about £1,600 of premiums, I understand he had £4,000 more obtained fraudulently by various means.

Mr. Moon, who was his manager, and who represents the "World Mutual Accident," disappeared for a time, but has recently turned up again. Is the "World Mutual" a good and genuine office?

We have had a fair-sized fire at Cameron's Tobacco Factory; loss estimated at £60,000; insurance, £42,000. Almost every office was in it, including the Anglo-American for £2,000.

Respectfully yours,

H. LOMAS SMITH.

[The World Mutual Accident company is unknown to us. No reputable company of that name exists in the United States, nor in Canada, nor in Great Britain. If the World Mutual pretends to hail from any of the countries named, the company may safely be written down a swindle.—Ed.]

#### The Fidelity and Casualty Company.

The statement of this New York company for July 1, 1886, shows assets to the amount of \$579,991.01, of which there is deposited with the New York Insurance Department \$200,000 in United States bonds. The surplus to policyholders is \$284,263.81. The losses paid aggregate \$902,451.24.

The serious loss of \$102,000 last year, by the felonious act of one Martin, whom the company had guaranteed, gave rise to questions of its solvency, and was unfairly used to its discredit. The loss was fully paid and charged off as a loss to the full amount. The ability to pay so great a loss without impairment indicates the extent of the company's resources and the excellent quality of the indemnity which it offers.

The Fidelity and Casualty Co. has now \$40,263.81 surplus over capital and reinsurance reserve. The reinsurance reserve is \$252,841, which at a valuation of 50 per cent. (which has always been regarded as below its cash value) is worth \$126,420.50. Adding this sum to the \$250,000 capital and net surplus, we have an aggregate of \$416,634.31, representing the net sum securing policyholders, or 166.4 as the cash value of capital and surplus. These figures are an ample vindication of the company.

The Massachusetts Insurance Commis-

sioner exceeded his duties when he criticised the Fidelity and Casualty Company for assuming so heavy a risk as the Martin; but although his report, as the New York Superintendent says, was in the nature of an attempt to discredit a New York company in favor of Massachusetts, he was forced to admit that the financial condition of the company is satisfactory, and graciously added that its "financial soundness is well proven by its ability to pay so heavy and exceptional a loss without impairment of its solvency."

### Minnesota Life Underwriters Association.

MINNEAPOLIS, MINN., Nov. 29, 1886.

EDITOR COAST REVIEW.—We are establishing a State Life Underwriters Association here, the object being to cultivate a friendly and generous spirit among the agents and discourage all disreputable methods—slandering and rate-cutting in particular. Until better methods are adopted in these respects an odium will always attach to the business, and the agent will suffer in consequence, both in reputation and pocket.

All of the agents in the cities of St. Paul and Minneapolis have pledged themselves, except the agent of the Mutual Life of New York, but we know Mr. McCurdy strongly favors the movement, and we hope to enlist him before we finish a year. He can't well afford to stay out. The following is a list of the officers of the association: President, H. L. Shepherd, State Agent Mutual Benefit; First Vice-President, Myron Brown, General Agent New York Life; Second Vice-President, Lindsey Webb, General Agent Northwestern Mutual Life; Secretary, F. L. Bancroft, Special Agent New England Mutual; Treasurer, W. G. De Vol, State Agent Travelers; Executive Committee—H. L. Shepherd, *ex-officio*; A. B. Savage, State Agent New England Mutual; L. D. Wilkes, General Agent Equitable. J. H. Gregory, General Agent New York Life; B. F. Stahl, General Agent Aetna Life; John P. Jacobson, General Agent Connecticut Mutual.

Yours truly,

L. WEBB.

### For Life Solicitors.

We are indebted to Davis & Lakey, of New York, the publishers, for a copy of Mr. Lakey's "Sure Road to Success in Life Insurance Canvassing." The author is an old and successful life canvasser himself, and is therefore well qualified to point out the "sure road." We quote a few sentences, to-wit: "To the young man of average intellect and sound health the great prize of success is possible." "There are more failures among men who go into trade than among men who go into life insurance." "The thing to do at the start is to choose the business for life; to go in with a determination to stay in and win." "The out-and-out square fighter is always the man to make a full surrender when fairly beaten, and the life insurance agent carries weapons for the subduing of all such opponents." The agent "must believe in life insurance." From the index we select the following indications of the contents of this useful little book: "The First Effort," "Argument, Fact and Silence," "Foundations of Success," "Letters of Introduction," "Important Suggestions," "Every Man can Learn," "Searching for Large Game." The price of the book is \$1.00.

### Incendiarism.

Several incendiaries were arrested in Merced county on the 27th of November. About three weeks ago the store of C. O. Buckley, at Hopeton, in that county, was destroyed by fire. The property was insured for \$4,000. The circumstances were suspicious. A detective, disguised as a tramp, loafed about Hopeton until he learned enough to warrant a search warrant. Accompanied by the Sheriff and three deputies he proceeded to the ranch of Perry Buckley, brother of C. O., where a quantity of merchandise was found hidden under the hay in the barn and elsewhere. The posse drove to Hopeton and arrested Milton Reeves, Cherokee Dan, an Indian, and three others, who are suspected of belonging to the gang that fired the store. C. O. Buckley has since been arrested.

At Petaluma, at 8 o'clock in the evening of November 28, smoke was seen issuing from the sidewalk in front of Towne's building, on Main Street, and it was discovered that the floor of the building was burning rapidly. Rags, shavings and sacks saturated with coal oil were found under the floor where the fire started. It was evidently the work of an incendiary. The damage was light.

### Massachusetts Co-operative Law.

#### GOOD SAMPLE LEGISLATION FOR OUR CALIFORNIA SOLONS.

In 1885 the Massachusetts legislature in response to an unmistakable public demand, enacted an excellent law applying to all business assessment insurance associations. The law was designed to secure desirable publicity, prevent the misappropriation of mortuary assessments, prevent graveyard insurance, provide for the safe investment of trust-funds, secure the payment of claims in full, and subject such assessment associations to the supervision of the Insurance Department. For a long time the co-operatives were unchecked by legislation in Massachusetts, and in the absence of law they multiplied, if they did not flourish, and developed fraud and incited murder. With the scandalous record of the co-operatives in Massachusetts, Ohio and Pennsylvania before the people of California, a repetition of such infamy need not be feared; but if Massachusetts, with a familiar record of co-operative weakness and duplicity, needed a strong restriction law in 1885, then California, with the co-operative experiment in its infancy, certainly needs as strict or stricter protection and prohibitory legislation.

The following summary of the Massachusetts law, which we reprint from the Insurance Report for 1885, will be found useful and interesting at this juncture. Our fraternal insurance society friends—who, we know, will agree with us as to the necessity and justice of such legislation in California—can not reasonably object to the

enactment of a law similar to that of Massachusetts.

Its provisions apply to all associations, now or hereafter formed, which make assessment insurance contracts, except certain fraternal societies and organizations with select membership, and unincorporated bodies with a maximum limit of five hundred dollars benefit.

Corporations organized under it cannot transact business until two hundred persons have subscribed for insurance and paid in one full mortuary assessment in trust for beneficiaries. Their contracts must be for a sum specified in the policy or contract and when the obligation accrues the beneficiary shall have a prior lien, defeated only by proceedings in insolvency, upon all the property of the corporation for its payment, and if payment is not made within thirty days after demand, the corporation upon notification by the Commissioner shall issue no policy while such notice remains in force.

Policies cannot issue upon the life of any person over sixty years of age, nor for the benefit of a person who has no interest in the insured life. An assignment to a person having no interest in the insured life voids the policy.

Each corporation must provide for an emergency fund, distinct from its ordinary death fund, to be maintained at all times, of an amount not less than the proceeds of one death assessment on all of its policyholders. This fund is to constitute a trust for the payment of policy claims not otherwise provided for, to be invested in such securities as insurance companies may by law invest their capital, and deposited with the treasurer of the Commonwealth. These securities can be withdrawn from deposit only upon a requisition of the corporation, endorsed by the insurance commissioner, and for the purposes of the trust. When the corporation shall cease business the fund is to be administered under judicial authority (1), for the payment of accrued claims, if any, and (2), the payment, in order, of claims that shall accrue. Existing corporations are given six months from the passage of the act, and newly organized



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corporations six months from date of their incorporation, to accumulate the fund.

All assessments must be for a specific purpose, and the proceeds must be applied to the stated use.

When a corporation not purely mutual neglects without justifiable cause for thirty days after proof of death to levy an assessment for payment of the claim, the members of the corporation shall be personally liable to the beneficiary for the amount due.

No corporation shall reinsure with another corporation unless the contract therefor shall be approved by a two-thirds' vote of a meeting of the policyholders held to consider the matter.

Agents, solicitors and physicians of any such corporations, are liable to fine and imprisonment for making wilful false statements or representations in reference to insurance therein.

The act provides for the admission of similar corporations of other States to transact business in Massachusetts. To qualify itself for admission such foreign corporation must file with the insurance department (1), a certified copy of its charter; (2), a statement under oath of its business for the preceding year, and that it is paying and for the year past has paid in full the maximum amount named in its policies; (3), a certificate from the proper authority in its State that like corporations of this Commonwealth are legally entitled to do business in such State; (4), a copy of its policy and form of application, which must show that benefits are provided for by assessments upon policyholders; (5), evidence satisfactory to the Commissioner that it accumulates a safety or emergency fund equal in amount, and of the character required of our home companies. It is made the duty of the Commissioner to revoke the authority of such foreign corporations whenever he shall be satisfied that it does not pay its policy obligations in full.

The act defines the duties and powers of the Commissioner in respect to these corporations. He is given the same powers of visitation and examination as in the case of life insurance companies under chapter

119 of the Public Statutes. Whenever he is satisfied that a corporation has exceeded its powers, failed to comply with any provision of law, or is conducting business fraudulently; and, whenever, after notice upon information of its default for thirty days to pay a claim due, and investigation had thereon, it shall appear to him that the liabilities of a corporation exceed its resources, and that it cannot within a reasonable time, not more than three months from the date of original default, pay its accrued indebtedness in full; he shall report the facts to the attorney-general, who shall apply to the Supreme Judicial Court for an injunction and such other judicial proceedings as the interests of the corporation and of the public may require.

### E. W. Carpenter.

THE NEW GENERAL AGENT OF THE ROYAL, NORWICH UNION AND LANCASHIRE INSURANCE COMPANIES.

E. W. Carpenter, the Assistant Secretary of the Firemans Fund Insurance Company, has been appointed manager of the Royal, Norwich Union and Lancashire insurance companies, succeeding Falkner, Bell & Co. A change in the general agency has long been contemplated. J. Montgomery Hare, the United States manager of the Norwich Union, visited this city recently for the purpose of looking the field over and selecting a suitable man to represent the three companies in this field. We congratulate the companies and Mr. Carpenter. Certainly, no better selection could have been made.

Mr. Carpenter is one of the foremost underwriters on the Pacific Coast, in experience, ability and popularity. He has been engaged in the insurance business for over twenty years, and is still, comparatively, a young man. A native of Massachusetts, full of Yankee energy, he found in the new "Wild West," in the pioneer days, an inviting field of labor. At Helena, Montana, some twelve or fifteen years ago he divided his time between a local agency and a newspaper, and made a brilliant record both as journalist and "local". In 1874 he was ap-



pointed a special agent of the Firemans Fund Insurance Company, and several years later (in 1881) he became the Assistant Secretary of the company, which position he now resigns to accept the general agency tendered him by Manager Hare. Mr. Carpenter has contributed several valuable papers at different annual meetings of the Fire Underwriters' Association of the Pacific, and was the President of that association one year. His address that year and the several papers he has written were important contributions to the Pacific Coast insurance literature, and of superior merit both as literary and as professional productions.

### Another Oregon Wildcat.

THE NORTHWEST FIRE AND MARINE INSURANCE COMPANY, OF PORTLAND.

This is the title of a new fire insurance company of the genus wildcat, recently organized at Portland, Oregon. A capital of \$200,000 is claimed, of which, in all probability, only a few hundred has been paid in—enough to meet current expenses. The Secretary of the concern, J. K. Elderkin, was formerly the agent of the fraudulent Anglo-American, of Washington, the Pelican, of New Orleans, the Fargo, of Dakota, and other wildcats. T. A. Wood, the President, runs a saw-mill somewhere in the woods of the wild Northwest—a vocation which is specially designed to fit a man to manage an insurance company. Mr. Wood took \$30,000 in stock in the Northwest Fire, and paid \$100 for the same. The Secretary took \$20,000 in stock, for which he probably put up his "experience." At last accounts the remaining \$150,000 stock was begging for a taker at any price. If all the stockholders pay as liberally as Mr. Wood, the cash capital of the Northwest Fire is fully \$666; but this, we fear, is an over-estimate, for it does not appear that the Secretary has paid anything, nor that the remaining stock has been disposed of at even  $3\frac{1}{2}$  mills on the dollar. The new company is, evidently, a worse fraud, if that were possible, than the State Insurance Company, of Salem, whose example Messrs.

Wood and Elderkin are, evidently, bent on following. So long as Oregon is without any protective insurance legislation, wildcat companies like the Northwest and the State will be organized within her borders and prey upon her people. It is strange, indeed, that Oregon should demand a deposit of \$50,000 from established and reputable companies from other States and foreign countries, yet should allow adventurers to organize companies without a dollar of capital to indemnify her citizens. The Oregon press would do a useful and creditable work by exposing the two wildcats referred to, and by advocating legislation to prevent the creation of similar schemes.

### A Washington Wildcat Agency.

At Tacoma, or Seattle, W. T., we have forgotten which, there is a wildcat insurance agency, operating under the firm name of Thompson, Mickel & Co. In their circular to the public, entitled "Absolute Indemnity Furnished," these men say:

In offering to the public the policies of the following fire insurance companies we do so with the utmost assurance that they each and all furnish absolute indemnity to the full amount and extent of their contracts, and that their record for *equity in adjustment and promptness in payment* of all honest losses is firmly established, and entitles them to the confidence and patronage of the insuring public:

	Assets.
Insurance Company of Dakota .....	\$400,322 00
Capital Insurance Company, of Iowa....	132,248 06
Monarch Insurance Company, of Iowa....	232,028 78
Louisiana Ins. Co., of New Orleans.....	194,960 95
Pelican Ins. Co., of New Orleans.....	372,406 22
Fargo Insurance Company, of Dakota....	223,711 63
Pierre Fire and Marine Ins. Co., of Da..	51,885 00
Home Fire Insurance Co., of W. T.....	114,279 62
Northwest F. and M., of Oregon (capital)	200,000 00
Kansas City Ins. Co., of Missouri .....	Mutual.

These companies are all irresponsible concerns, and their indemnity is practically worthless. Not a single company of the ten transacts business in any State having an Insurance Department. The assets which Thompson, Mickel & Co. claim for them are largely in excess of the assets which the companies themselves claim. For example: the Capital, of Iowa, reports only \$53,572 to the auditor of that State,

but in the above list it is credited with \$123,248. In other cases, notably the Pelican and Insurance Company of Dakota, the falsification is as great or greater.

None of the companies furnishes reliable indemnity. Their assets are mainly paper assets, and they operate only where the absence of insurance legislation permits them. Whoever insures with them will be worse off than if he had no insurance. He will pay for indemnity that he does not receive, and if he incurs a loss any other insurance on the same risk will net him less in proportion, under the provisions of every policy.

Alfred Carr, the Missouri Insurance Superintendent, writes as follows: "There is no such company in existence under our laws as the Kansas City Insurance Co. of Missouri, either stock or mutual." The Northwest Fire, recently organized at Portland, has neither capital nor assets. The Home Fire of Seattle is another humbug, without visible assets. The Capital and the Monarch of Iowa have each \$25,000 paid-up capital, and their liabilities leave little or no surplus. The Pelican of New Orleans has been exposed in these columns before. It claims a paid-up capital of about \$25,000, and its assets are paper assets. The Louisiana is a similar humbug. The three Dakota companies all have nominal assets, are wildcat schemes, and forage for business in the Territories or do an underground business in the States which exclude such shams. The Pierre does not report to the Dakota Auditor at all, and probably, like the Kansas City company, has no existence at all.

We warn the people of Washington Territory against the companies represented by Thompson, Mickel & Co. The "cheek" of the firm almost surpasses belief.

A war of rates between several English and China marine companies is in progress in England. The war was begun by the Marine Insurance Co. through an agent in China, who in a circular offered 33½ per cent. in lieu of a bonus. The China offices followed suit. The particulars are given on another page.

## FIRES.

November 1, Seattle, W. T., saw-mill:

Ten companies.....\$1,080

November 6, La Camas, W. T., water-power paper-mill:

Liverpool & London & Globe.....	\$4,650
National, Ireland.....	1,000
Svea.....	2,500
Fire Ins. Ass'n, London.....	1,000
Hartford.....	575
Anglo-Nevada.....	1,000
Westchester.....	1,250
New Zealand.....	2,150
Hamburg-Magdeburg.....	2,500
Phenix Brooklyn.....	1,150
American, Phila.....	1,000
Pennsylvania, Phila.....	1,250
Phenix, of London.....	635
Home Mutual.....	2,000
Firemans Fund.....	2,275
Providence-Washington.....	800
South British & Mercantile.....	2,150
Oakland Home.....	1,075
Traders.....	1,075

Total.....\$50,035

November 15, Walla Walla, W. T., dwelling:

North British & Mercantile..... 340

November 15, Smithfield, Or., grain in warehouse:

Anglo-Nevada.....\$1,509

November 30, Phoenix, Arizona, adobe drug-store:

Firemans Fund.....\$500

November 17, Monroe, Or., general fire:

Home Mutual.....\$1,900

November —, Portland, Or., piano:

Guardian.....\$225

November 3, Portland, Or., dwelling:

Commercial, San Francisco.....\$200

November 9, Eureka, Cal., dwelling and contents:

Scottish Union.....\$954

November 24, Quincy, Cal., society hall building:

Liverpool & London & Globe.....\$203

November 29, Sacramento, Cal., brick saloon:

Firemans Fund.....\$498

November 1, Santa Clara county, Cal., barn:

Liverpool & London & Globe.....\$450

October 30, Fresno, Cal., dwelling:

Union, San Francisco.....\$850

November 19, near Sacramento, frame  
hop barn:

Firemans Fund.....	\$928
Providence-Washington.....	371
Oakland Home.....	1,680
Traders.....	1,263

November 19, Sacramento, Cal., Capitol  
woolen mill:

National, Ireland.....	\$2,500
Atlas.....	2,500
Anglo-Nevada.....	1,237
Boylston.....	2,500
Svea.....	2,475
Sun, San Francisco.....	1,250
Security.....	1,487
Fire Ins. Ass'n, London.....	2,475

Total.....\$16,424

November 27, Sacramento, Cal., general  
fire:

Union, San Francisco.....	\$750
Sun, San Francisco.....	160
Liverpool & London & Globe.....	1,494
Southern California.....	200

November 1, Modesto, Cal., wagon shop:  
Home Mutual.....\$1,200  
Phenix.....1,281

October 30, Elmira, Cal., dwelling and  
furniture:

American Central.....	\$180
Oakland Home.....	2,000

October 30, Colusa, Cal., frame dwelling:  
Agricultural.....\$600

November 16, Madera, buildings and  
contents:

Home Mutual.....	\$800
Svea.....	1,200

November 12, Colusa, Cal., frame dwell-  
ing:

Sun, London.....	\$600
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November 8, Alameda county, Cal., sta-  
ble:

Home Mutual.....	\$800
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October 31, Berkeley, Cal., frame build-  
ings:

Continental.....	\$1,600
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November 9, Santa Rosa, Cal., law library:  
Southern California.....\$175

November 23, Sonoma county, Cal., dwell-  
ing and contents:

California.....	\$2,450
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November 20, Gilroy, Cal., dwelling:  
Southern California.....\$265

November 2, Oakland, Cal., dwelling:  
Guardian.....\$222

November 26, Tulare, Cal., building and  
machinery and livery stable:

California.....	\$750
Union, New Zealand.....	750
London & Lancashire.....	925
Manchester.....	500
Caledonian.....	500

November 20, Tulare, Cal., dwelling and  
barn:

Hartford.....	\$2,915
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November 15, Alameda county, grain in  
field:

Guardian.....	\$380
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November 12, Sacramento, Cal., cigar  
stock:

Prussian National.....	\$250
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November 5, Humboldt county, Cal.,  
saw-mill:

Clinton.....	\$500
Howard.....	1,500
Hartford.....	1,500
Fire Ins. Ass'n, London.....	1,500
Union, San Francisco.....	1,500
Ins. Co. N. A.....	2,000
Firemans Fund.....	2,500
National, New York.....	1,500
Providence-Washington.....	1,000

Total.....\$13,500

November 17, Sacramento, Cal., frame sa-  
loon:

Liverpool & London & Globe.....	\$1,017
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November 19, Modesto, Cal., dwelling  
and contents:

Manchester.....	\$800
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November 17, Sonoma county, Cal., frame  
dwelling:

Liverpool & London & Globe.....	\$5,000
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November 12, San Pedro, Cal., dwelling  
and household furniture:

London & Lancashire.....	\$300
London, Northern & Queen.....	1,213
Imperial.....	437

November 13, Vallejo, Cal., barn:

London & Lancashire.....	\$362
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November 28, Eureka, Cal., frame barn  
and contents:

Liverpool & London & Globe.....	\$400
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November 22, Stockton, Cal., dwelling:  
Southern California.....\$324

November 27, St. Helena, Cal., dwelling:  
Transatlantic.....\$700

November 27, Cherokee, Cal., building  
and furniture:

Anglo-Nevada.....	\$870
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November 27, Modesto, Cal., restaurant: Southern California.....	\$100
November 7, Alameda county, Cal., dwelling: Etna.....	\$885
Oct. 15, Truckee, Cal., frame dwelling: Commercial, San Francisco.....	\$725
November 4, near Los Angeles, hay: Etna.....	\$1,281
October 18, dwelling and barn: Commercial, San Francisco.....	\$150
November 16, Fresno, Cal., hotel and furniture: Caledonian.....	\$1,285
November 24, Fresno, Cal., baled hay: Caledonian.....	\$600
November 25, Norma Station, Cal., barn: Etna.....	\$400
November 3, Santa Barbara, Cal., printing office: Ins. Co. N. A.....	\$275
November 7, Contra Costa county, Cal., frame dwelling: American, Phila.....	\$5,514
November 9, near Chico, Cal., saw-mill: Svea.....	\$500
November 1, Merced, Cal., livery stable: Boston Underwriters.....	\$793
Michigan.....	121
Franklin.....	793
Williamsburg City.....	130
November 15, Fresno, Cal., barn: London, Northern & Queen.....	\$1,260
Imperial.....	420
November 29, near Auburn, Cal., dwelling: Connecticut.....	\$500
November 30, Saucelito, Cal., dwelling: Hamburg-Bremen.....	\$2,395
November 8, Blocksburg, Cal., general fire: Concordia.....	\$500
Clinton.....	500
Liverpool & London & Globe.....	150
Springfield.....	500
Guardian.....	1,000
Security.....	1,000
Southern California.....	1,500
Westchester.....	1,500
American Central.....	1,000
Amazon.....	1,000
Pacific.....	1,000
Oakland Home.....	1,000
Total insurance.....	\$10,650
Estimated loss.....	\$6,000

October 31, Dayton, Cal., drugs, etc., in brick: Liverpool & London & Globe.....	\$2,832
November 3, Mendocino county, Cal., frame dwelling: Liverpool & London & Globe.....	\$600
November 11, Lathrop, Cal., dwelling: Commercial Union.....	\$299
November 3, Santa Barbara, saloon: German-American.....	\$195
November 3, Madison, Cal., dwelling: North British & Mercantile.....	\$500
November 9, Merced, Cal., barn: North British & Mercantile.....	\$500
November 2, San Joaquin county, Cal., farm property: Washington.....	\$800
Lion.....	700
November 18, Red Bluff, Cal., dwelling and furniture: Home & Phoenix.....	\$400
November 4, Sacramento, Cal., hay: Etna.....	\$250
November 27, Merced, Cal., hotel furniture: Lion.....	\$200
November 15, Sacramento, Cal., hay: Etna.....	\$125
November 11, Santa Monica, Cal., dwelling: Lion.....	\$1,000
November 24, Colusa, Cal., dwelling: North British & Mercantile.....	\$470
November 29, Petaluma, Cal., millinery: Oakland Home.....	\$110
November 15, San Bernardino, Cal., dwelling: Oakland Home.....	\$225
November 18, Livermore, Cal., hay: Oakland Home.....	\$840
November 16, Sacramento county, Cal., dwelling: Oakland Home.....	\$1,070
November 7, San Francisco, stores, etc: Phoenix, London.....	\$500
Western, Toronto.....	250
November 15, San Francisco, dwelling: Fire Insurance Association, London.....	\$432
November 5, San Francisco, oils: Home and Phoenix.....	\$110
November 7, San Francisco, bakery: Home and Phoenix.....	\$1,250

November 3, San Francisco, brick building:

Prussian National.....\$145

November 3, San Francisco, barber shop:

Prussian National.....\$750

November 5, San Francisco, cigar factory:

Guardian.....\$1,391

November 3, San Francisco, hay, horses, barn, etc:

German, Pa.....\$450

London & Lancashire.....463

Manchester.....463

Caledonian.....463

November 3, San Francisco, building:

City of London.....\$1,500

November 5, San Francisco, brick building:

Hamburg-Bremen.....\$220

Niagara.....220

November 4, San Francisco, frame saloon:

Firemens, Baltimore.....\$857

November 7, San Francisco, furniture:

California.....\$230

November 3, San Francisco, household furniture:

New Zealand.....\$424

November 3, San Francisco, brick building:

Transatlantic.....\$115

November 9, San Francisco, machinery, etc.:

New Zealand.....\$110

November 30, San Francisco, laundry:

Hartford.....\$723

Grand Total.....\$153,504

### SIFTINGS.

Guy Fawkes day is the occasion of an annual fireworks display in England.

The late Treasurer of the Knights of the Golden Rule of Indiana is \$10,000 short in his accounts. Next!

The corner-stone of the New Zealand Insurance Company's new building in Dunedin was laid recently. The building and lots will cost about \$150,000.

The Patria Belgian Ins. Co. of Brussels is bankrupt. It was doing an underground

business in this country, and was classed as a wildcat by the COAST REVIEW. Many American claimants will "get left," and that is all they will get.

The Massachusetts Insurance Commissioner will grant an extension of time for the filing of annual statements, if necessary. The appointed time is January 15, but for many companies the time is too short.

A new Philadelphia life insurance company insures the heirs of mortgagors a deed to the mortgaged property in the event of the death of the mortgager or borrower. For the present the new company will confine its business to this class of risks.

Millionaire Hostetter of Pittsburgh recently increased his life insurance to \$500,000, considering it the best investment he can make. This half million includes no quack (coöperative) insurance.

The Reserve Mutual Life Association of Grand Rapids, Mich., a hat-passer, failed last month, leaving nearly \$25,000 in unpaid death losses. Next!

A bad case of graveyard insurance is reported from France. One life carried \$42,000, held by various speculators. America has no monopoly of insurance rascality.

Score one to the credit of the New Hampshire exodus. The Vermont valued policy bill was refused a third reading by the nearly unanimous vote of the legislature last month.

London has an average of seven serious accidents daily on its 8,000 miles of streets. Last year 130 persons were killed and 2,600 persons were injured by vehicles in the streets.

The expense of maintaining the London fire brigade in the past year was £122,000, about one half the sum disbursed by the New York City fire department. Of this, £26,000 was contributed by the fire insurance companies of that metropolis and

£10,000 by the government, still the expenditure exceeded the income by £20,000.

In London, an average of 15,000 new houses are built every year, but these houses, on the average, are much smaller than the dwellings in this country. About forty miles of streets are opened yearly.

It is the custom of the French companies to take credit amongst the assets in their balance sheet (*bilan*) for *unpaid* subscribed capital, placing the total amount of the subscribed capital on the other side of the account, amongst the liabilities.

Natural gas was discovered at Oxford, Ind., last month, and within a week four new co-operatives were organized in the town.

A Cincinnati firm has been sued by one of its companies for a loss of \$863 on a saw mill, which was insured by the firm in violation of instructions as to prohibited risks.

A life underwriter's association has been organized in Rochester for Western New York.

### PERSONAL PARAGRAPHS.

GEO. C. BOARDMAN is visiting Southern California.

CAPT. A. E. MAGILL will visit Los Angeles this month.

Z. P. CLARK has been "laid up" with a sprained foot for the past month.

GEO. C. YOUNG, of Petaluma, and H. C. Keyes, of Stockton, embraced the COAST REVIEW in their city rounds last month.

E. L. WATSON, of Providence. R. I., special agent of the Providence Washington Insurance Co., is visiting the Coast.

WM. F. BLOOD, Secretary of the Oakland Home Ins. Co., is visiting the agencies of his company in Texas and Colorado.

JOSEPH C. JENNINGS, of this city, returned a few days ago from a visit to the principal Eastern cities.

M. BENNETT, JR., of Hartford, manager of the Scottish Union and National, and Jas. Nichols, Secretary of the National of Hartford, visited San Francisco last month.

W. H. BONSALE, for the past six years the manager of the *Spectator* Company of New York, has become a resident of Los Angeles. "Our glorious climate" is irresistible."

H. P. COLLINS, of Montreal, Canada, special auditor for the Accident Insurance Co. of North America, is visiting this Coast in the interest of his company.

W. D. MEARES, Manager of the Union Insurance Co. of Christchurch, after an extended visit to his agencies in the United States, returned to New Zealand last month.

I. DONALD MACPHERSON, of Christchurch, New Zealand, is visiting San Francisco. Mr. Macpherson is manager of the South British Insurance Co. for Canterbury. He is also the Lloyd's agent for same territory.

U. S. GILBERT, United States manager of the Sun Fire Office, died in San Francisco on November 24, from apoplexy. Mr. Gilbert was formerly Vice-President of the Watertown Insurance Co., and when that company was purchased by the Sun Fire Office he became the manager of the latter. The remains were met at Chicago by the underwriters of that city, who thus formally showed their respect for the deceased.

GAZZAM GANO, president of the Amazon Insurance Co. of Cincinnati, and F. T. Reno, president of the Citizens' Insurance Co. of the same city, paid their respects to the insurance fraternity in this city, also to the REVIEW, last month. Mr. Gano's visit was more for pleasure than business. Mr. Reno came to the Coast to establish his company. Messrs. Hutchinson & Mann were appointed its agents.

GEO. C. PRATT, General Agent of the California Insurance Co. of this city, sailed, on December 1st, for Yokohama, Hong-Kong, and other leading Oriental cities. Mr. Pratt goes in the interest of the California Insurance Co. and the Union of New Zealand. It is more than likely he will establish both offices for the purpose of do-



ing a fire and marine business, both in China and Japan. Mrs. Pratt accompanies her husband, and their friends will expect to see them in Frisco about April 1st, next.

### CHIPS.

—The biennial report of the Dakota Auditor is now in the printers' hands.

—We are indebted to Auditor Brown of Iowa and Auditor Caldwell of Dakota for copies of their annual reports.

—Harry Naunton, formerly city agent of W. J. Callingham's agency, has been employed by Manheim, Staples & Co. as assistant manager to Mr. Staples.

—D. F. Tillinghast, the counter man and general assistant with the Falkner, Bell & Co. insurance agency, goes to the Anglo-Nevada on January 1st.

—Volney Howard, for many years local agent at Gilroy, has taken the field as special agent for the Imperial, Lion, Orient and Washington insurance companies.

—A two million paid-up capital marine company, with over six millions assets, will early comply with the California laws. The general agents will, so rumor has it, be Messrs. Gutte & Frank.

—A dissolution of co-partnership of the firm of Hoyt & Mailliard, of this city, has been announced. Mr. Hoyt retires from the firm, Mr. Mailliard continuing the business as general agent for the Security and city agent for the Queen. The Providence Washington, heretofore represented by the firm, goes to Manheim, Staples & Co.

—The Secretary of the Greenwich of New York says that within twelve days after the Metropolitan compact went into effect a pile of policies had been returned for cancellation, that the business had gone off its books, and that someone had got it, and he intended to find out who it was. If the big fish in the "pool" attempt to swallow the little fish, as this loss indicates, the Metropolitan compact will be short-lived. Any course short of actual generosity on the part of the whales will be bad policy.

—A popular and experienced special advertises for a position, in this month's COAST REVIEW.

—One Canadian special for the New York Life is remarkably successful, wherever he goes, in the initial work. He has seven initials in his signature.

—Hutchinson & Mann have been appointed agents for the Citizens' of Cincinnati. The Citizens' has \$200,000 cash capital, and is one of the pioneer Cincinnati locals.

—R. S. Robbins, for the past two years engaged in special work for the Pacific Insurance Union, announces himself a candidate for a position as special. Mr. R. has been engaged for many years in the business, and is well acquainted with the business in the interior.

—In *Carroll vs. Mo. Pac. Ry. Co.*, the Supreme Court of Missouri has decided that where the amount of damages for causing death is fixed by statute (*see R. S.*, 1879, Sec. 2121) and is expressly conferred upon beneficiaries named therein; and a defense set up by a railway company, that any insurance money received by plaintiff upon death of her husband, caused by the wrongful act of said railway company insures to said railway company, and in defense *pro tanto*, is irrelevant and immaterial, and can not be maintained.

—I lose all patience with the man who tries to belittle my profession and calling. Nearly 23 years of constant labor in the life insurance business has given me some experience with the human family, and I am free to say that there is not a class of men in the world doing as much for humanity to-day as the agents of our magnificent life insurance companies. When a merchant, manufacturer, public instructor or petty lawyer attempts to belittle my occupation, I simply look down upon him with pity, for not 12 months of any successful life insurance agent's history passes but produces more lasting good to the world than a life-time of the larger proportion of those men who are small enough to try and belittle the life agent's calling.—*C. W. Moore.*

—The Puget Sound people believe in sound insurance, but not in Sound companies, like the Home wildcat of Seattle.

—A Massachusetts life company makes its agents and solicitors sign a pledge not to "divide" or rebate their commissions, on penalty of dismissal. The plan works well.

—The *Insurance Monitor* has issued a pamphlet on "The Law of Membership in Co-operative and Assessment Life Associations."

—The New York Superintendent requests the fire insurance companies to forward the annual statements not later than January 15.

—E. W. Carpenter, the new manager of the Royal, Norwich Union & Lancashire insurance companies, takes charge of the agency on January 1. The office will continue at "the old stand," 410 California street.

—It does not seem to be generally understood that in case of loss a bad policy is worse than no policy, for the reason that its full *pro rata* of the loss is assessed against it and cannot be collected from the other companies in the loss.—*St. Louis Examiner*.

—With this number the 21st volume of the *Coast Review* is ended. The bookkeeper is busily engaged in making out subscription bills, which will be mailed during the month. We hope that every subscriber will remit promptly, for the "devil" is to pay at the printing office. During the year now closing, the *Coast Review* has contained over 500 pages of reading matter—tables, papers, correspondence, editorials, excerpts, fire losses, chips, news, reviews of companies' statements, court decisions in full, and a digest of all important insurance decisions. One hundred and fourteen decisions were digested and seven decisions were printed in full during the year, and forty-nine fire, life and accident tables were printed. A fair idea of the variety and extent of this volume of the *Coast Review* can be obtained by a glance at the ample index of the contents, printed elsewhere.

—The Capitol is the name of a new company at Topeka, Kansas.

—A number of New Orleans insurance companies have adopted and put into practice a rule—and a good one it is—of affixing by stamp on every policy covering outside business, a notice that a check in payment of the premium must be made payable to the order of the company.

—That was a very strange accident which occurred the other day, whereby a San Francisco mechanic was struck in the eye by a "bit," thrown off by a rapidly revolving wheel, and lived for days with that cold steel buried in his brain; but it was not so strange as the fact that the man, although daily exposed to fatal or serious accidents, left a family unprotected by a life or accident insurance policy. Familiarity doth breed contempt for danger and death, and breeds arrant folly, too.

—J. A. Jones, who for the past nineteen years has occupied the responsible position of sole manager of the insurance branch of the firm of Falkner, Bell & Co., will, on the first of January next, become associated with the Anglo-Nevada Assurance Corporation of this city. Mr. Jones' long and successful record as an underwriter in this field, and his extensive acquaintance among the business men of this state, will doubtless prove very beneficial in the extension of the Anglo-Nevada's interests.

—I have heard persons, under the guise of piety, say, when asked to insure their lives, they would prefer to trust in Providence. Well, we cannot trust Providence too much when we do our duty; but it is not only great ignorance, it is real profanity to suppose that we are to trust Providence for helping us to become inconsiderate, selfish, procrastinating and indifferent to the well-being of others. There are some people who do not insure their lives from procrastination, forgetting that all the time they are thinking about it they are liable to sickness, not to speak of death. It is not a wise thing to defer life assurance till a man's hair is becoming gray, for in an assurance office a man has to pay for his gray hair.—*Dr. Macleod*.

—The newly elected Governor of Massachusetts, Oliver Ames, has been one of the trustees of the City of London Fire Insurance Company since its coming to this country. He has served his State as Lieutenant-Governor for four years.

—In point of general intelligence and special ability, not one of the learned professions makes such exorbitant demands as does this business of ours. Not one requires a wider scope of attention, whether practical, theoretical or technical.—*Monitor*.

—The Belgian companies carry larger lines than even the Mutual Fire, of New York. The Kursal at the watering-place of Scheveningen, Holland, recently burned. It was insured for 1,200,000 florins. One company had a line of 200,000 florins, two others had 175,000 each, three others 150,000 each, and two 75,000 each. The Dutch florin is worth about 42 cents.

—Let us go for the girls—old as we are, we are not too old for that. Let us have it established, that no offer of marriage will be accepted unless accompanied by a policy of insurance; let no prospective father-in-law give his consent unless the young gentleman produces an endowment policy in favor of the daughter. Then the halcyon days of insurance will commence.—*Adae*.

—The British and Foreign Marine Ins. Co. of Liverpool, represented in this field by Balfour, Guthrie & Co., has a paid-up capital of \$1,000,000, assets to the amount of \$4,496,103, and the large net surplus of \$2,670,524. The net premiums last year were \$1,672,437, and the losses incurred were only \$762,964, a very low loss ratio for a marine business. The British & Foreign is one of the standard marine companies.

—The Swiss Marine Insurance Companies Combined, represented by Harry Syz on this Coast, are composed of the Baloise of Basle, the Helvetia Marine of St. Gall, and the Switzerland Marine of Zurich, all of the Swiss Republic. The assets of the combination aggregate \$2,583,374, and the yearly net marine premiums are in the neighborhood of a million and a half dollars. The net surplus over all liabilities is the handsome sum of \$1,006,392.

—The Thames & Mersey Marine Ins. Co. of Liverpool, represented on this Coast by Wm. Greer Harrison, has a paid-up capital of \$1,000,000 and \$5,395,196 assets, with a strong net surplus of \$3,136,488. The net premium income last year was \$1,523,869. The Thames & Mersey ranks among the leading marine companies of the world.

—*Insurance* comes back at us in discussing the reward system, as follows: And we say again, that it is the *offer* that tempts. Offers of \$500 are common, and offers of \$750 are not infrequent. The COAST REVIEW admits that the regular officers of the law are demoralized by the system, and strongly insists that they should be excluded from participation in any reward offered by underwriters. But it seems to us that our half-converted neighbor cannot go so far with us without being logically compelled to finish the journey. Offer a reward for the detection and punishment of an incendiary and stipulate that no portion thereof shall be payable to any public officer, and what will follow? Just this: the public officer will say to himself, if he doesn't talk it out loud: "This is a private snap. Let the fellows that have a chance to make the money do the work. It's none of my business." In other words, the effect of an offer, so limited, would be to render the public officer indifferent. The COAST REVIEW's proposal is, in effect, to incite private detectives to special activity in incendiary cases. Well, there is but one private detective agency in this country, that we know of, which is at all respectable—Pinkerton's—and about that one opinions differ very widely. It is, however, an unvarying rule of Pinkerton not to permit his men to work for a reward. Here is what Mr. Robert H. Pinkerton, who, since his father's death, has been at the head of the agency, says about the pay of his force: "Well, the pay runs all the way from \$15 and \$20 a week to \$3,500 a year. \* \* \* Each man has his value. *It won't do to work for a reward. Human nature is human nature, and when a man has a big pile of money coming as the result of fixing a crime on some man—well, it's often dangerous for that man, guilty or innocent.*"



—The question, Shall we have a dry winter? has been settled affirmatively, at last. Another Oldest Inhabitant writes us that there were comparatively no fleas this year, which always presages a dry season. Underwriters who pin their faith to other signs, may live in hope awhile, for the wild-goose-bone man is still to be heard from.

—The Straits Insurance Co. of Singapore, represented in San Francisco by Geo. Marcus & Co., held its "seventh ordinary general meeting" on September 29th. We pause to express the wonder why plain American English, like "seventh annual," or semi-annual meeting is not good enough for our antipodean cousins. Assets are reported to the amount of \$924,638. The net premiums for the half year ending June 30 were \$280,540, a gain of several thousand. In other departments there is a corresponding gain. This marine company will hereafter transact business in connection with the new Straits Fire Ins. Co., just organized by the stockholders of the former. The Straits Fire was to have begun business on the 1st of October.

—In March, 1885, we noted the fact that the Oregon Secretary of State, R. P. Earhart, certified that the State Insurance Co. of Salem had filed a sworn statement, and commended the company to "our people." We criticised his action, and intimated that only a pecuniary interest in the company would have persuaded him to so misuse his official place. If the company's standing had justified his endorsement as a private citizen, it certainly would not as a public official; but the company had no financial standing and was unworthy of confidence, which makes the Secretary's abuse of position scarcely less than criminal. Mr. Earhart was financially interested in the fraudulent State Insurance Co., as we intimated, but the proof is only now at hand. The ex-cashier, C. H. Cottle, writes to the Salem *Lance* that Mr. Earhart recently sold his stock in the company. Was that stock presented to him for his official commendation of the State Insurance Co.?

—Cory & Braley, of Fresno, Cal., have dissolved, and are succeeded by J. M. Cory & Son.

—We still have inquiries for the COAST REVIEW co-operative extra printed in September, 1885. The supply was long since exhausted.

—The *American Agriculturist*, a standard and highly reputable journal, advertises that it accepts no swindling or quack advertisements of any kind. We believe it; for on turning over its plethoric advertising pages we find not a single co-operative life or co-operative accident insurance advertisement. The co-ops. would gladly avail themselves of the *Agriculturist's* great circulation if they could.

—James M. Stuart, an unsavory life solicitor, who was a leading projector of the Universal Accident Indemnity Co. swindle, some time ago secured an application from an Oakland citizen, received the policy from the company on paying a semi-annual premium, and then delivered the policy to the insured and collected the annual premium. He subsequently, by offering some inducement, collected a semi-annual premium for the second year, and pocketed the money. When the fraud was discovered at the expiration of six months, Stuart had left for "parts unknown."

—A saloon-keeper in Illinois, whose saloon was threatened by fire in the vicinity, made no attempt to save his property, which was insured, and refused to allow a thirsty crowd to help him (and themselves). The property burned, presently, and the company, learning the facts, declined to pay the saloon-keeper's claim. We are not surprised to read that the jury of the dram-seller's peers gave that popular character a verdict for the amount of his claim; but in view of the evidence it is a bit strange that the Supreme Court should have affirmed the judgment of the jury. The argument of the court that the destruction of uninsured property of plaintiff, in the same building, rebutted the theory of the defense that the loss was owing to the failure of plaintiff to use his best effort to save his property, was an argument unworthy of any court.

—In the Eastern States, during the winter, the lord (or lady) of the kitchen saves much disagreeable labor by covering the fire at night and turning the damper. In the morning there is a warm kitchen and a stoveful of live coals—or the house is a heap of smouldering ruins. The gas which can find no exit up the chimney accumulates and sometimes explodes.

—The *Insurance Agent* of London is hereby informed that the expenses of management of the Mutual Reserve Fund Life Association of New York are *not* provided for by fixed annual dues. A portion of the mortuary assessments goes to pay expenses; how much we can only guess. Last year the assessments yielded nearly \$400,000 (50 per cent.) more than were returned to certificate holders. A bill in the New York Legislature to prohibit the appropriation of mortuary assessments for expenses was opposed by the Mutual Reserve Fund lobby, for obvious reasons. The bill was defeated, and the mortuary funds of the association continue to enrich the managers.

—We print, this month, part of the interesting paper by President Greene of the Connecticut Mutual Life Ins. Co. on the "Use of Commissions." The division or "throwing off" of commissions by life agents is a great and growing evil, demoralizing to the agents, of hurtful tendency to the companies, and an injustice to all who have paid or may pay full commissions. Agents must live, and some, because of this pernicious, unbusinesslike practice, are forced to live dishonestly. They deceive the public and embezzle funds entrusted to them because, "to get business," they have rebated their commissions. Competition may be the life of trade, but it may also be the life of civil and criminal litigation. There is urgent need of a radical reform in this matter, and it may be secured if the companies will peremptorily prohibit any rebate of commissions, and enforce the prohibition with appropriate penalties. The guilty agent or solicitor should have his regular commission reduced accordingly, for a time, and his violation of a wholesome rule should be reported to all the companies.

—Early in 1835, we intimated that as the cotton crop of Texas was a probable failure, the fire losses in the Lone Star State would be large. The loss ratio was 110 per cent. of the premium income.

—President Z. P. Clark of the Fire Underwriters Association of the Pacific wants us to remind the committeemen that the next annual session is near, and to poke them with the editorial finger into proper sense of the industry necessary to prepare the good papers which they have promised and the fraternity expects. The gentlemen will please consider themselves poked accordingly. The papers read at the annual meeting of the Fire Underwriters' Association have ranked among the best heretofore, and this year's committeemen, to whom were assigned various topics, will doubtless maintain the high standing already acquired; but to do so, they must give themselves ample time.

—The *Lance*, of Salem, Or., of recent date, says: "By private letter from Clackamas Station we learn of another method by which the State Insurance Company swindles its patrons. Some time since the school district of Clackamas Station took out a policy on their school building for \$700 in the State Insurance Company, giving an iron-clad promissory note for the premium, \$37.50, which note and interest (\$2.50, making a total of \$40) fell due in eight months. For good reasons, the Board of Directors ordered the Clerk of the Board to pay the note and have the policy canceled. The Clerk did as instructed, and after some delay the policy was canceled and the school district received a return premium of \$13, making \$27 which they paid for eight months' insurance on a policy for \$700 running for 60 months or five years. As the policies issued by the State Insurance Company guarantee a "short rate" and a "return premium" to policyholders in case of cancellation, we would inquire upon what basis or by what rule the company figures when it retains \$27 out of \$40, the premium and interest on a \$700-policy running for five years?" Any legitimate company would have retained only \$11.20. The State Ins. Co. is a robber.

—The December *Overland* contains, among other articles, "Women" as School Directors," "Our Forests," "Writings of Laura Bridgman," and "The Beet Sugar Industry in California."

—The election of the judiciary, under universal suffrage, is mainly responsible for the elevation to the bench of incapable men who secure nominations by intrigue or corrupt bargains with political bosses. Many jurists in high places are ignorant of law, are "approachable," pander to popular clamor or prejudice, and dispense injustice at the command of their political makers. Not the least sufferers by an elective judiciary are the insurance companies.

—The old firm of Hagan, Manheim & Co. is succeeded by Manheim, Staples & Co., comprising Isaac Manheim, J. W. Staples, J. Henry Dibbern and Henry S. Manheim, general agents of the Scottish Union and National, National of Hartford, and Oregon of Portland. Mr. Staples continues as manager. The agency of the Oregon has been resigned, and the agency of the Providence-Washington accepted. The commission firm of Hagan, Manheim & Co. is succeeded by Manheim, Dibbern & Co., comprising the Messrs. Manheim and Mr. Dibbern, who will also represent the insurance firm as city agents.

—The Svea Insurance Co. of Gothenburg, Germany, which was organized in 1866, doubled its cash capital last year, increasing it from \$266,666 to \$533,333. The assets at the date of the last report were \$1,547,759, with a net surplus of nearly half a million, or, to be exact, \$463,422, making the surplus as regards policyholders within a trifle of a million dollars. The premium income, which gained slightly during the year, was in excess of a million, while the losses fell off, the loss ratio to premiums dropping from 58 to 53 per cent. The Svea does a prosperous business, paying last year over 17 per cent. dividends to its stockholders. Two years ago the Svea established an agency in this field, appointing as its general agent J. M. Philip, who has already built up a good and profitable Coast business.

—*Rough Notes* has our thanks for a bound copy of Volume VIII.

—We recently read a column article on suitable presents for Christmas time. The most valuable present was not mentioned—a life insurance policy.

—Statistics show that the rates of suicides to population is greater in San Francisco than in any other large city in the country. It is 1 to 2,800. Any reference to our "glorious climate" is out of order. St. Louis stands next, Chicago third, and Baltimore least. Are there any co-operatives in Baltimore?

—Life insurance to the masses is what the agent makes it. He is the company to all intents and purposes, to the great majority of men. Its standard rises and falls as he rises and falls in the barometer of human opinion. There is no business taken so much on trust as the one we represent; therefore every act of an agent which shall lose to him the confidence of the people, is a blow of greater or less severity (according as the agent is regarded by the community) to the whole system; therefore it behooves us to see that we bring no discredit upon the greatest blessing ever invented for the human family (when we consider blessing from a pecuniary point of view.—C. W. Moore.

—The Metropolitan Association of Fire Underwriters has come to a conclusion on the question of solicitors. It provides they shall be paid not to exceed twenty per cent. commission on the business that they bring in, that they shall be restricted to the solicitation of buildings occupied as dwellings and stores and dwellings, household furniture and stocks contained within such buildings and up to \$2,500 on non-rated special hazards. They shall not be permitted to act in this capacity for more than one company, nor shall they be eligible as brokers. This would be very well provided the item of "exchange business" were eliminated. So long as branch managers may place their risks under this heading it will be difficult to regulate solicitorships.—*Weekly Underwriter*.



—The *Lance*, a Knights of Labor paper at Salem, Or., is doing the community good service in a surgical way, lancing the rotten State Insurance Co.

—Life insurance stimulates prudence, encourages economy, relieves want, diminishes poverty and crime, educates children, lessens the pressure of competition on wage-workers, banishes care, inspires confidence, and promotes morality.

—A Chicago court recently decided that the cessation of work for repairs by a factory, during the dull season, was a natural outgrowth of ordinary business, and did not release the responsibilities of the insurance companies. Several companies, representing \$40,000, had refused to pay, claiming that when the works "shut down" there was an increase of risk of which they were not notified, thus voiding the policies.

—No corps of agents so promptly respond to the call of their chief as that of the New York Life Insurance Company, whether it be on the birthday of the President, or on any other stated occasion; let the word go out that new business is needed, and it pours in by the million. The anniversary of Mr. Beers' election to the presidency has just passed, and by way of celebrating that event the agents sent in over four millions of business.—*Insurance Record*.

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—The Fidelity Fire of Huron is a new Dakota company. A little infidelity as to its soundness is in order, for it's a wildcat.

—People talk about certain men being magnetic, and that such men have wonderful power over other men. They say that a man possessed of this marvellous gift of magnetism can bring other men to his ways of thinking. Nonsense! The magnetic man is he who accommodates himself to time and circumstances, to whim and caprice, who can be "all things to all men" so he "may win."—*Lukey's Book*.

—I consider life insurance in its benefits to humanity only secondary to that of Christianity; and its agents bearing the same relation to it that the ministers of the Gospel hold to the grand work of saving souls; therefore, life insurance agents should see to it that nothing they may do or say shall bring discredit upon the institution which places within the reach of every one the greatest of pecuniary blessings. I think that I am safe in saying that those who are the recognized successful agents of the present will bear favorable comparison in intelligence and morals with that of any other class in our great country. They are usually in the fore front of any enterprise of a philanthropic nature, and their experience with man makes their advice valuable.—*C. W. Moore*.

## SPECIAL AGENT.

A competent man, with three years' experience, and extensive acquaintance on the Pacific Coast, desires a position as Special Agent. Special advantages offered.

Address "SPECIAL,"  
Coast Review Office.

## ACTIVE LOCAL AGENTS.

Wanted (throughout the Pacific Coast) to represent the Accident Department of the Pacific Surety Company of California.

Address WALLACE EVERSON,  
President.  
328 Montgomery St., San Francisco.

Experienced, Successful Life Insurance Men wanted to sell Installment Bonds of the National Life Ins. Co. of Montpelier, Vt., in San Francisco and every city and town of importance in California and Oregon. Address me at Los Angeles National Bank, Los Angeles, California. Circulars explanatory of the plan will be sent on application for them.

S. A. MATTISON,  
General Agent for  
California and Oregon.

## They "Do us Proud."

SEATTLE, W. T., Nov. 29, 1886.

We look on the COAST REVIEW as one of the necessities of our office. We would nearly as soon try to get along without our Rate Book as without the COAST REVIEW.

Yours for sound insurance,  
A. CHILBERG & CO.

MINNEAPOLIS, MINN., Nov. 29, 1886.

EDITOR COAST REVIEW—I want to express my appreciation of the worth of your excellent magazine. I have none I value more highly, and I wish and hope its circulation may be increased ten-fold.

LINDSEY WEBB,  
Gen. Agent Northwestern Mutual Life Ins. Co.

GALVESTON (Tex.), Nov. 15, 1886.

PUBLISHER COAST REVIEW: We have not received our November copy. Kindly send it, as we find the REVIEW always interesting.

Respectfully,  
ANGELL & RICE.

ASPEN, COLO., Oct. 12, 1886.

EDITOR COAST REVIEW—I deem the COAST REVIEW one of the necessary fixtures of my office. I have never failed to get each number. The court decisions are invaluable to all agents. I recommend every agent to subscribe for it.

J. D. BRANSFORD.

PORTLAND, OR., Oct. 16, 1886.

EDITOR COAST REVIEW—You have outdone yourself in your COAST REVIEW for October. The blows you strike right from the shoulder at co-operative frauds are good.

C. L. FAY,  
Gen'l Agt. Washington Life Ins. Co.



# THE TRAVELERS

## LIFE AND ACCIDENT INSURANCE COMPANY

### OF HARTFORD, CONN.

ASSETS January 1st, 1886 .....	\$8,417,038 21
LIABILITIES " " .....	6,321,199 35
SURPLUS " " .....	\$2,095,838 86

It has the only "WORLD WIDE" Accident Policy in America, and all claims are paid WITHOUT DISCOUNT and immediately on receipt of satisfactory proofs. Its NEW LIFE CONTRACT is BRIEF, LIBERAL PLAIN, and is NON-FORFEITABLE after the third year.

Its new form "COUPON ANNUITY ENDOWMENT" Policy is creating a "boom in itself," and suits everyone, as the insured pays all premiums up to 60 years of age, and therefore reaps the benefit in his declining years. Call and see a sample policy and get rates. All kinds of ENDOWMENT as well as the LIFE and ACCIDENT INDEMNITY COMBINED POLICY are issued by this Company.

Losses Paid Policyholders since 1864.....\$11,435,275.46

Call and purchase an Accident Ticket before leaving the city—\$3,000, \$15 per week, 25 cents per day; \$6,000, \$30 per week, 50 cents per day.

WALTER W. HASKELL,

GENERAL AGENT FOR PACIFIC COAST.

242 Montgomery Street, Corner Pine,

San Francisco.

# ACCIDENT DEPARTMENT

THE PACIFIC MUTUAL LIFE INSURANCE COMPANY

OF CALIFORNIA.

PRINCIPAL OFFICE, 418 California Street,

San Francisco, Cal.

ORGANIZED A. D. 1867.

ASSETS, December 31, 1885 - - - - \$1,339,591 76

*Under the Accident Policy issued by this Company, there is no restriction on travel.*

*The insured can reside anywhere in the civilized portions of the World.*

*The insured being disabled in a more hazardous occupation than the one named in policy, is paid pro rata according to premium.*

*The insured sustaining such accidental injuries as to occasion the loss of both Eyes or two limbs, will be paid one-half the face of the Policy.*

*The limit of time allowed on account of non-fatal injuries is extended to THIRTY WEEKS.*

*All technical or obscure conditions are eliminated or defined.*

*All just and equitable claims will be promptly paid upon filing of sufficient and satisfactory proofs.*

*Injuries received in attempting to save human life are covered.*

Rates the same as those of other standard American accident companies. Policy provisions more liberal and less technical. Are NON-FORFEITABLE and WORLD WIDE.

Capable and Reliable Agents Wanted.

OFFICERS.

GEO. A. MOORE.....	President
GEW. W. BEAVER.....	Vice-President
W. R. CLUNESS, M. D .....	Medical Director
J. N. PATTON.....	Secretary
SAMUEL M. MARKS.....	Assistant Secretary
WM. O. GOULD.....	Actuary
THOS. BENNETT.....	General Superintendent

ALEX. M. DEANE, Manager Eastern Department, Williamsport, Pa.



# PACIFIC SURETY CO.

OF CALIFORNIA.

Paid up Capital - - - \$100,000.

## Guarantee and Accident.

(INSURES GUARANTEE BONDS.)

(INSURES AGAINST ACCIDENTS.)

BONDS of Suretyship issued on behalf of persons holding positions of trust. Will also act as surety on Bonds required in Court proceedings. ACCIDENT INSURANCE ON ALL APPROVED PLANS.

### DIRECTORS.

GEO. C. PERKINS,  
JOHN BIRMINGHAM,  
H. WADSWORTH,  
WALLACE EVERSON,

WM. CLIFT,  
H. L. DAVIS,  
ALBERT MILLER,

J. L. MOODY,  
J. N. KNOWLES,  
J. J. VALENTINE,

A. P. REDDING.

### OFFICERS.

WALLACE EVERSON ..... President  
JOHN BIRMINGHAM ..... Vice-President  
E. F. GREEN ..... Secretary  
A. P. REDDING ..... General Manager

Head Office, 328 Montgomery St., San Francisco.

# NORTH GERMAN

Fire Insurance Company

OF HAMBURG.

CAPITAL AND ACCUMULATIONS. ....\$2,233,331 97

WALTER SPEYER, General Agent,

325 CALIFORNIA STREET,

SAN FRANCISCO.

# THE UNITED STATES LIFE INSURANCE CO.

IN THE CITY OF NEW YORK.

(ORGANIZED IN 1850.)

261, 262 & 263 Broadway, New York.

GEORGE H. BURFORD, President.

C. P. FRALEIGH, SECRETARY. A. WHEELWRIGHT, ASSISTANT SECRETARY. WM. T. STANDEN, ACTUARY.

All the profits belong to the Policy-holders exclusively.  
All policies issued by this company are indisputable after three years.  
All Death Claims paid without discount as soon as satisfactory proofs have been received.  
This Company issues all forms of Insurance, including Tontine and Limited (Non-Forfeiting) Tontine.  
One Month's Grace allowed in the Payment of Premiums on Tontine Policies, and Ten Days' Grace on all others, the Insurance remaining in full force during the Grace.  
Absolute security, combined with the largest liberality, assures the popularity and success of this Company.  
GOOD AGENTS, desiring to represent the Company, are invited to address J. S. GAFFNEY, Superintendent of Agencies, at Home Office, or

J. W. HOWELL, Manager, 235 Kearny St., S. F.

# CONNECTICUT MUTUAL

Life Insurance Company, Hartford, Conn.

ASSETS, January 1, 1886.....	\$54,383,650.00
Surplus, by Connecticut Standard.....	\$1,680,113.00
Surplus, by New York Standard.....	7,800,000.00
Ratio of Expenses of Management to Receipts since Organization.....	8.3 per cent.

JACOB L. GREENE, President.

W. G. ABBOT, Secretary.

*Its splendid record of forty years shows conservative and most economical management. The New Contract of the Company affords perfect protection; provides for old age or necessity by the largest cash surrender values ever offered in a life insurance contract; furnishes insurance at the lowest net rates; surplus is divided annually.*

The limited premium policy (10, 15, 20, 25 payments) becomes, at the end of its term, a dividend-earning policy, the commercial value of which can be readily reckoned and made available. It may, at this time, or any five years thereafter be surrendered for its cash value, which value is stated in the policy. The policy is *non-forfeitable*; nothing, not even one's own culpable negligence, can deprive him of the full benefit of the premiums paid. Besides affording the *safest insurance*, the Company furnishes the *safest place in the world* for the people to deposit annually small or large sums of money.

JAS. L. FOGG, District Sup't of Agencies for the Pacific Coast.

F. R. NOYES, Agent at San Francisco.

OFFICE, 315 CALIFORNIA ST.,

SAN FRANCISCO.

# PROVIDENCE WASHINGTON

Insurance Company of Providence, R. I.

ORGANIZED IN 1790.

ASSETS JANUARY 1, 1886,	-	-	-	\$964,930.00
-------------------------	---	---	---	--------------

J. H. DeWOLF, President.

J. H. BRANCH, Secretary.

# SECURITY INSURANCE CO.

Of New Haven, Conn.

ORGANIZED IN 1841.

ASSETS JANUARY 1, 1886,	.	.	.	\$451,273.00
-------------------------	---	---	---	--------------

HOYT & MAILLIARD, GENL. AGENTS,

405 California Street,

San Francisco.

ALSO CITY AGENTS FOR THE

QUEEN INSURANCE CO. of Liverpool.



J. G. CONRAD.

J. D. MAXWELL.

# CONRAD & MAXWELL, FIRE AND MARINE UNDERWRITERS,

421 California Street, San Francisco.

SAN FRANCISCO DEPARTMENT  
OAKLAND HOME INSURANCE COMPANY.  
TRADERS INSURANCE COMPANY.  
IMPERIAL FIRE INSURANCE CO. OF LONDON.

## TOTAL ASSETS OF THE NEW YORK UNDERWRITERS' AGENCY,

DECEMBER 31st, 1895:

CAPITAL .....	\$1,300,000 00
REINSURANCE RESERVE .....	1,296,364 32
Reserve for Losses Unpaid and in Process of Adjustment, and all other	
Liabilities.....	214,344 00
Surplus, Exclusive of Capital.....	752,590 72
Total Assets.....	\$3,563,299 04

## CESAR BERTHEAU, Manager,

No. 209 SANSOME STREET,

SAN FRANCISCO, CALIFORNIA.

## THAMES & MERSEY

Marine Insurance Co., Limited,  
Of Liverpool, London and Manchester.

Capital Subscribed, - -	\$10,000,000
Capital Paid Up.....	\$1,000,000
Reserve Fund, in addition to capital,	1,875,000
Total Assets June 30, 1884.....	5,312,425

## WM. GREER HARRISON,

Manager,

308 PINE STREET. San Francisco.

AGENTS:

VICTORIA, B. C.....WELCH, RITHET & CO.  
PORTLAND, OREGON.....P. C. SCHUYLER.

## BRITISH & FOREIGN

Marine Insurance Co., Limited,  
Of Liverpool.

Capital Subscribed.....	\$5,000,000 Gold
Capital Paid Up.....	1,000,000 Gold
Reserve Fund, exclusive of capital..	1,606,741 Gold

## BALFOUR, GUTHRIE & CO.

General Agents,

316 CALIFORNIA ST. San Francisco.

GEO. W. SPENCER, MANAGER.

# SUN FIRE OFFICE

OF LONDON, ENGLAND.

(ESTABLISHED A. D. 1710.)

U. S. GILBERT, Manager for the United States, Watertown, N. Y.

THE OLDEST PURELY FIRE INSURANCE COMPANY IN THE WORLD.

In Active Business Existence 176 Years.

In addition to its United States Assets, the Society holds large resources of the parent office. With these and the individual liability of its wealthy shareholders the SUN FIRE OFFICE offers indemnity unsurpassed by any other company.

Assets in the United States.....	\$1,712,361 29
Liabilities in United States.....	1,184,211 34
Net Surplus.....	\$528,149 95

HUTCHINSON & MANN, General Agents Pacific Department.

322 and 324 California St., San Francisco.

## The Mutual Benefit Life Insurance Co.

NEWARK, N. J.

AMZI DODD, . . . President.

ASSETS (market values) Jan. 1, 1886.....	\$39,633,528 20
LIABILITIES (4 per cent. reserve).....	36,871,125 08
SURPLUS.....	2,764,403 12
SURPLUS (New York standard).....	5,450,863 31

Policies Absolutely Non-Forfeitable after Second Year.

\* IN CASE OF LAPSE the Policy is CONTINUED IN FORCE as long as its value will pay for; or, if preferred, a Paid-up Policy for its full value is issued in exchange.

After the second year Policies are INCONTESTABLE, except as against intentional fraud; and all restrictions as to residence, travel or occupation are removed.

CASH LOANS are made to the extent of 50 per cent. of the reserve value, where valid assignments of the Policies can be made as collateral security.

Losses paid immediately upon completion and approval of proofs.

\* A party insuring at age 35, on Life Plan, is entitled to over 4 years' insurance for 2 years' premiums; over 10 years' insurance for 5 years' premiums; over 20 years' insurance for 10 years' premiums.

On Endowment and other plans the value and extension are very much greater.

JAMES MUNSELL, JR., Agent Pacific Coast, 415 Montg'y St., S. F.

## Phoenix Assurance Company

Of London, England. Established 1782.

Cash Assets.....	\$6,419,154 00
------------------	----------------

## British America Assurance Co.

Of Toronto, Canada. Established 1833.

Cash Assets.....	\$1,117,658 00
------------------	----------------

## Western Assurance Company

Of Toronto, Canada. Established 1851.

Cash Assets.....	\$1,185,594 00
------------------	----------------

BUTLER & HALDAN, Gen'l Agents for Pacific Coast,  
413 CALIFORNIA ST., SAN FRANCISCO.

ESTABLISHED A. D. 1821.

PACIFIC DEPARTMENT

# GUARDIAN ASSURANCE CO.

OF LONDON.

PAID UP CAPITAL..... FIVE MILLION DOLLARS, GOLD  
 CASH SURPLUS, as regards FIRE POLICY-HOLD-  
 ERS, after providing for all Liabilities ..... \$7,577,679.64  
 TOTAL CASH ASSETS, including Life Accumulations. 20,120,828.88

WM. J. LANDERS,

B. C. HAWES,

City Agent and Surveyor.

*General Agent,*

401 California Street.

# SVEA FIRE INSURANCE CO.

Of Gothenburg.

Capital authorized.....	\$2,666,666 66
Capital, paid up .....	533,333 33
Net Surplus.....	463,421 49
<b>TOTAL ASSETS,</b> . . . . .	<b>\$3,155,434 12</b>

J. M. PHILIP, General Agent,

420 CALIFORNIA STREET,

SAN FRANCISCO.

# FIDELITY AND CASUALTY CO.

187 BROADWAY, NEW YORK.

CASH CAPITAL... ..	\$250,000
Deposited with N. Y. Insurance Department. ....	200,000

## FIDELITY BONDS.

Bonds issued guaranteeing the fidelity of persons holding positions of pecuniary trust and responsibility, thus securing a Corporate Guarantee in Lieu of a Personal Bond where security is required for the faithful performance of duties of employees in all positions of trust.

## ACCIDENT POLICIES.

Policies issued against Accidents, Causing Death or Totally Disabling Injury. Insuring from \$500 to \$10,000 in case of Death, and from \$3.00 to \$50.00 Weekly Indemnity in case of Disabling Injuries.

WM. M. RICHARDS, President. JOHN M. CRANE, Secretary. W. H. LEE, Inspector

J. R. GARNISS, General Agent,

219 Sansome Street,

San Francisco.



AGGREGATE ASSETS, \$12,106,336.

# PHOENIX INSURANCE CO.,

OF HARTFORD, CONN.

—AND—

# HOME INSURANCE CO.,

OF NEW YORK.

JOINT OR SEPARATE POLICIES ISSUED

Pacific Department, 221 Sansome Street, San Francisco.

ARTHUR E. MAGILL, General Agent.

## The Insurance Laws of the State of California

From the Coast Review Press, is a Work of Eighty Pages, with a Three-Page Index. It is a Compilation of all the Sections of

### The Civil, Political and Penal Codes

Relating to Insurance Corporations and Insurance in General, Including Many Sections not Heretofore Compiled.

PRICE, \$2.00 PER COPY.

### COAST REVIEW EXPIRATION BOOK,

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Very Convenient. Price, 50 cents. Per 100, \$35.

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*Only Chart Giving Home Statements of Foreign Companies.*

Paper Covers, 50 cents; Leather Covers, 75 cents.



## THE WASHINGTON LIFE

Insurance Company of New York.

W. A. BREWER, Jr., - - - - - President

ASSETS, OVER.....\$7,800,000 00

SURPLUS, NEARLY.....\$1,000,000 00

To lessen losses by forfeiture, when premiums due are unpaid, THE WASHINGTON LIFE INSURANCE COMPANY is firmly bound in the policy to apply as premium the full amount of cash dividends to the credit of each policy, to the continuance of such policy for days, months, or years, in exact proportion of dividend to premium, and during such continuance the insured may resume the payment of premiums without a medical re-examination.

During the year (1885 only) 643 policies insuring \$1,368,500 were saved to policyholders of the WASHINGTON by non-forfeitable dividends.

WM. HAXTUN, Vice-President and Sec.  
E. S. FRENCH, Superintendent of Agencies,

CYRUS MUNN, Assistant Secretary  
ISRAEL C. PIERSON, Actuary  
Dr. B. W. MCCREADY, Medical Examiner.

JOHN H. GRAY, General Agent,

311 California Street,

San Francisco, Cal.

C. L. FAY, General Agent for Oregon and Washington Ty. PORTLAND, Or.

# SOUTHERN CALIFORNIA

## Insurance Company

OF LOS ANGELES, CAL.

CASH CAPITAL, - - - \$200,000.00

**E. F. SPENCE, President.**  
**J. R. TOBERMAN, Vice-President.**

**D. E. MILES, Secretary.**  
**F. C. HOWES, Treasurer.**

### DIRECTORS.

JOHN G. DOWNEY,  
 E. F. SPENCE,  
 WM. H. PERRY,  
 JOHN BRYSON, SR.,  
 J. W. DAVIS, JR.,

NELSON VANDERLIP,  
 ISAAC FELLOWS, M. D.  
 F. C. HOWES,  
 H. C. SIGLER,  
 J. R. TOBERMAN,

DR. J. B. HUNT.

SAN FRANCISCO OFFICE, 405 CALIFORNIA STREET,

**JNO. R. HILLMAN, Ass't Manager.**

---

### PACIFIC DEPARTMENT.

## NATIONAL ASSURANCE CO.

OF IRELAND.

Established A. D. 1822.

## ATLAS ASSURANCE COMPANY

OF LONDON.

Established A. D. 1808.

## BOYLSTON INSURANCE CO.

OF BOSTON.

**H. M. NEWHALL & CO., General Agents,**

**GEORGE MEL, Manager.**

*Office, 309 Sansome Street, San Francisco, Cal.*

**Applications for Agencies Invited.**

# COMMERCIAL UNION

*Assurance Company, Limited,*

OF LONDON.

Pacific Coast Branch, 210 Sansome Street, San Francisco.

Subscribed Capital, . . . . .	\$12,500,000
Paid-up Capital, . . . . .	1,250,000
Total Cash Assets, Gold, . . . . .	11,882,968
Total Liabilities, including Re-insurance Funds, etc., . . . . .	8,073,001
Cash Surplus to Policy-holders, . . . . .	3,809,967
Total Amount of Claims Paid, . . . . .	44,539,518

All Losses on the Pacific Coast promptly paid through the Branch Office at No. 210 Sansome Street, San Francisco.

C. F. MULLINS, - - - Manager.

## NEW ZEALAND INSURANCE CO.

FIRE AND MARINE.

(Established 1859.)

*Head Office, New Zealand Insurance Buildings, Auckland, N. Z.*

CAPITAL.....	\$5,000,000
PAID UP CAPITAL.....	1,000,000
ASSETS.....	2,753,946
LIABILITIES.....	838,100
SURPLUS.....	1,915,846
PREMIUMS RECEIVED TO NOV. 30, 1885.....	14,079,899
LOSSES PAID TO DATE.....	8,716,084
U. S. BONDS DEPOSITED IN OREGON.....	52,500
REAL ESTATE IN SAN FRANCISCO.....	210,000

Unlimited Liability of Shareholders

Underwrite through the medium of their Agents, against loss by fire of every description, and for voyage or time on Hulls, Merchandise, Freight, etc., to and from all parts of the world, at the usual rates of premium. Claims settled and paid either in San Francisco or any of the Company's British, Colonial or Foreign Branches, at the option of the insured.

**HUGH CRAIG, Manager Pacific Department,**

312 California Street, San Francisco.



# THE MUTUAL LIFE

## Insurance Co. of New York

INCORPORATED IN 1842.

R. A. McCURDY, President.

ASSETS, JANUARY 1st, 1886, . . . . \$108,908,967.51

This Company presents to those needing insurance a security unequalled by any similar institution. It has never disputed a claim which was shown to be just and right, and has carefully sought and practiced the most equitable system for the division of its surplus, and for discriminating between the varied interests of its many members.

Premium Receipts to date.....	\$291,006,546
Paid Policy-holders.....	230,496,260
Paid Policy-holders in 1885.....	14,402,050
Income in 1885.....	20,214,945

Accumulated Surplus, New York Standard, over - - - - \$12,000,000.00

A. B. FORBES,

General Agent for the Pacific Coast,

214 Sansome Street,

San Francisco.

ORGANIZED A. D. 1850.

# MANHATTAN LIFE

## INSURANCE CO., NEW YORK.

CASH ASSETS, January 1, 1886.....\$11,155,827.00

### BUSINESS RULES.

**PREMIUMS.** The lowest safe rates. **POLICY.** As little restricted in terms as possible.  
**NON-FORFEITURE.** Secured in the Policy under the law of New York.  
**SURRENDER VALUES** fixed when the policy is issued. See printed tables.  
**DIVIDENDS** made annually, commencing with the second year.  
**MANAGEMENT** steady, reliable, business-like.  
**INVESTMENTS.** Best security sought, rather than the largest interest.  
**PRINCIPAL OBJECT.** To secure a provision for ourself or for the family.

### BENEFICENT RESULTS.

**FAMILIES BENEFITED.** Nearly 6,000 **CLAIMS PAID.** Over \$13,000,000.  
**RETURNED** to Policy-holders over \$7,800,000 of surplus premiums in Dividends.

### FINANCIAL RESULTS.

**ASSETS,** \$11,155,827.04. **SURPLUS,** \$2,253,675, by New York Rule.

If you want **INSURANCE** take our Low Premium, Non-participating Policy. If you want **INSURANCE** and **DIVIDENDS** combined, take our Mutual Policy. If you want something for **YOUR OLD AGE**, take an Endowment Policy.

**AGENTS,** honest and capable, can secure good fields for working this progressive Company. Apply at the office of

JOHN LANDERS, General Agent,

507 MONTGOMERY ST., N. W. Cor. SACRAMENTO ST., SAN FRANCISCO.

# ROYAL

Insurance Company of Liverpool, England.

ESTABLISHED 1845.

# NORWICH UNION

Fire Insurance Society of Norwich, England.

ESTABLISHED 1797.

# LANCASHIRE

Insurance Company of Manchester, England.

ESTABLISHED 1852.

## FALKNER, BELL & CO.,

*General Agents for the Pacific Coast,*

**410 CALIFORNIA ST., SAN FRANCISCO.**

J. A. JONES, Manager.

LOUIS MEL, Special Agent.

## The State Investment and Insurance Co.

OF SAN FRANCISCO, CAL.

FIRE INSURANCE ONLY.

Cash Capital.....	\$400,000 00
Assets.....	545,776 29
Net surplus.....	54,698 51
Losses paid since organization.....	1,651,950 12
Dividends paid since organization.....	465,000 00

### BOARD OF DIRECTORS:

A. J. Bryant,  
James Irvine,  
C. D. O'Sullivan,  
J. M. Donahue,

Geo. Moffatt,  
D. Callaghan,  
M. Mayblum,  
Richard Ivers,

L. Cunningham,  
H. W. Seale,  
Fisher Ames,  
John Hanna,

C. F. Buckley,  
J. F. Sullivan,  
T. McMullin.

### OFFICERS:

A. J. BRYANT, President.    RICHARD IVERS, Vice-President.    CHAS. H. CUSHING, Secretary.

**ED. C. MORRISON, Special Agent and Adjuster.**

**OFFICE: 218 & 220 SANSOME ST., SAN FRANCISCO.**

The Only Company on the Pacific Coast governed by the Massachusetts Non-forfeiture Law

# NEW ENGLAND MUTUAL LIFE

INSURANCE COMPANY, OF BOSTON

Incorporated 1835.

<b>ASSETS</b> December 31, 1885.....	<b>\$17,846,547 00</b>
<b>LIABILITIES</b> "     " .....	<b>15,238,761 00</b>
<b>SURPLUS</b> "     " .....	<b>2,607,785 00</b>

NO SPECULATIVE FEATURES. ANNUAL RETURNS of SURPLUS PREMIUM, and YEARLY PROGRESSIVE CASH SURRENDER, and PAID-UP INSURANCE VALUES, fixed by Massachusetts law, ENDORSED ON THEM, protect all policies issued by this company from forfeiture; and give them also the character to such extent of yearly increasing and FOUR PER CENT. COMPOUND INTEREST bearing Bonds, with possible SURPLUS INTEREST paid in ANNUAL RETURNS.

The conditions of all policies are PLAIN, SIMPLE, and LIBERAL IN ALL OTHER RESPECTS.

SPECIAL ATTENTION is called to the fact that this company issues ENDOWMENT POLICIES embracing all the above advantages for THE SAME PREMIUMS formerly charged for policies payable only at death UNDER THE TITLE OF LIFE RATE ENDOWMENTS. Such policies challenge ALL COMPETITION as regards the AMOUNT AND LOW COST OF INSURANCE, which they COMBINE with INVESTMENT as above, reaching HALF THE FULL AMOUNT WITHIN THE MEAN EXPECTATION OF LIFE, and the FULL AMOUNT, IN A FEW YEARS LATER.

Send or call for explanatory books, EXAMPLES OF ENDORSED VALUES, &c.

**HENRY K. FIELD, General Agent,**

Office, 324 Montgomery St., San Francisco.

## The Northwestern Mutual Life Ins. Co.

OF MILWAUKEE, WIS

<b>ASSETS, January 1, 1886.....</b>	<b>\$24,265,257 00</b>
<b>LIABILITIES, January 1, 1886.....</b>	<b>18,747,929 00</b>
<b>SURPLUS, 4 per cent.....</b>	<b>\$5,517,328 00</b>

Since its organization the Company has paid to the representatives of its deceased policy-holders for death <sup>OSSES</sup>.....\$13,282,000 00

And to its living policy-holders for Dividends, Matured Endowments, Surrendered and Lapsed Policies.....23,490,337 00

Total.....\$36,772,337 00

Add present Assets.....24,265,257 00

Amount paid to policy-holders and held for them.....\$61,037,594 00

Total Premium received.....52,422,966 00

**Excess of Assets and Payments to Policyholders over Premium Receipts....\$8,614,628 00**

### OFFICERS.

H. L. PALMER, President.

WILLARD MERRILL, 2d Vice Pres.

J. W. SKINNER, Secretary.

MATTHEW KEENAN, Vice-President.

EMORY MCCLINTOCK, Actuary.

L. MCKNIGHT, M.D., Med. Director

**CLARENCE M. SMITH, General Agent for Central and Northern California.**

Office, 215 Sansome Street, San Francisco.

**LEWIS K. WEBB, General Agent for Southern California,**

Office, 23 North Spring Street, Los Angeles.

**FRANCIS & REED, General Agents for Oregon and Wash. Ter.**

Office, Portland, Oregon.

Reliable Agents Wanted in the Above Districts.



THE  
FIRE INSURANCE ASSOCIATION

(LIMITED.)

OF LONDON, ENGLAND.

Capital Fully Subscribed.....	\$4,500,000 00
Assets in United States.....	921,423 00

JACOBS & EASTON,

AND

W. L. CHALMERS,

Associate Managers.

---

PACIFIC COAST DEPARTMENT,

*423 California Street, S. F.*

Address all Communications

*"The Fire Insurance Association of England,"*

*P. O. Box 2138, San Francisco, Cal.*

TELEPHONE NO. 742.

# ANGLO-NEVADA

## ASSURANCE CORPORATION

OF SAN FRANCISCO, CAL.

### FIRE AND MARINE.

Subscribed Capital, \$2,000,000.

**Office, - - - 410 Pine Street.**

#### DIRECTORS.

LOUIS SLOSS,	J. L. FLOOD,	W. F. WHITTIER,
J. B. HAGGIN,	G. L. BRANDER,	E. E. EYRE,
J. ROSENFELD,	J. W. MACKAY,	E. L. GRIFFITH.
J. GREENBAUM,	W. H. DIMOND.	

This Corporation is now prepared to receive applications for Fire and Marine Insurance.

GEORGE L. BRANDER.....	President
J. L. FLOOD.....	Vice-President
C. P. FARNFIELD.....	Secretary
J. S. ANGUS.....	Assistant Manager

BANKERS—The Nevada Bank of San Francisco

DAVID HIRSCHFELD.

FRANZ JACOBY.



ORGANIZED IN 1845.

---

CAPITAL Authorized .....	\$2,225,000 00
ASSETS January 1st, 1886 .....	1,497,258 02
SURPLUS as to Policyholders .....	1,068,997 00

---

PACIFIC COAST DEPARTMENT,

323 CALIFORNIA ST., SAN FRANCISCO.

HIRSCHFELD &amp; JACOBY,

GENERAL MANAGERS.



# AMERICAN COMPANIES ONLY

---

Observe the List:

PHENIX OF BROOKLYN.

ASSETS, \$4,910,483.

AMERICAN OF PHILADELPIA,

ASSETS, \$1,918,432.

INS. CO. OF THE STATE OF PENN.

ASSETS, \$626,863.

PENNSYLVANIA OF PHILA.

ASSETS, \$2,552,616.

---

AMERICAN SURETY CO. OF NEW YORK.

CAPITAL, \$500,000.

AMERICAN STEAM BOILER INS. CO. OF NEW YORK.

CAPITAL, \$500,000.

LLOYD'S PLATE GLASS INS. CO. OF N. Y.

CAPITAL, \$200,000.

---

PACIFIC DEPARTMENT,

429 California St., S. F.

BROWN, CRAIG & CO., General Agents.

# HAMBURG-BREMEN

## FIRE INSURANCE CO.

OF HAMBURG, GERMANY.

---

Capital and Accumulations	- - - - -	\$2,564,440 64
Assets in the United States	- - - - -	1,623,594 00
Losses Paid in the United States, over	- - - - -	4,000,900 00

---

# NIAGARA

## FIRE INSURANCE CO.

OF NEW YORK.

---

Cash Capital	- - - - -	\$500,000 00
Cash Assets Jan. 1st, 1886	- - - - -	2,080,950 00

---

## SPEYER & HEROLD,

GENERAL AGENTS PACIFIC COAST

415 California Street,

San Francisco.

# CATALOGUE

OF

# INSURANCE PUBLICATIONS

For Sale at the Office of the COAST REVIEW.

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<b>The Insurance Monitor.</b> A monthly magazine devoted to Insurance. Established in 1853. The oldest Insurance Journal in America. Quarto form, 9 x 12, seventy pages, Subscription price, per annum postage prepaid.....	3 00
Single numbers, each. 25 cents; Recent bound volumes, each, \$5 00; Old volumes, special prices.	
<b>The Insurance Law Journal.</b> A monthly publication devoted exclusively to Insurance Law. The latest decisions published monthly. Single numbers, 50 cents; Annual subscription .....	5 00
Back volumes, 950 pp., each, law sheep, each.....	7 50
<b>Letters to an Agent</b> , from ye PATRIARCH. A familiar book of instruction for Fire Insurance Agents, in which divers topics are treated in a manner quite unlike that adopted by the more formal writers. Good to reform careless Agents; good to stimulate lazy Agents; good to instruct green Agents; interesting to Agents of all sorts, Price in beveled boards, cloth, gilt side title, very handsome .....	1 50
Per dozen copies.....	15 00
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<b>Hine's Expiration Book.</b> Good for ten years from any date of beginning. No. 1, 72 leaves, (6 to month), marble sides, leather back and corners; for small agencies.....	3 00
No. 2, 96 leaves (8 to a month), cloth sides, leather back and corners.....	5 00
No. 3, 168 leaves (14 to a month), cloth and leather.....	7 00
<b>Hine's Pocket Expiration Book.</b> Single copies.....	1 50
<b>Water's Adjustment on Building.</b> Single copies.....	2 00
<b>Hine and Nichol, Digest of Insurance Cases.</b> Most complete work of the kind ever published.....	7 50
<b>Fox's Hand Book of Adjustment.</b> New edition. Single copies.....	3 00
<b>Griswold's Hand Book of Adjustments.</b> A new edition, revised and greatly enlarged. Single copies..	1 50
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Per dozen.....	1 00
<b>Small Form for Minor Losses.</b> Very complete and convenient. Price same as above.	
<b>Diagram Paper</b> ruled in Squares, ready for use. In sheets 14 x 17. Price, per 100 sheets.....	5 00
Per dozen.....	1 00
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Per 100.....	15 00
Per dozen.....	2 50
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<b>Life Agents' Tables and Explanations.</b> By D. PARKS FACKLER.....	1 50
<b>Life Insurance Law of Assignments</b> .....	2 50

Address,

COAST REVIEW,

320 Sansome Street, San Francisco.





# COMMERCIAL INSURANCE Co. OF CALIFORNIA.

Office, No. 439 California St., San Francisco,

SAFE DEPOSIT BUILDING.

## FIRE AND MARINE.

CAPITAL PAID IN FULL,	- - - - -	\$200,000 00
Assets, January 1st, 1886,	- - - - -	\$456,840 71
Losses Paid since Company was Organized,	- - - - -	\$1,346,670 46

## DIRECTORS.

JOHN H. WISE, of Christy & Wise, Merchants.

JOHN BARTON, Merchant.

CHARLES BOGAN, Merchant, Mariposa.

B. L. SCHMITT, Capitalist.

A. BOCQUERAZ, of Shea, Bocqueraz & McKee.

N. OHLANDT, of N. Ohlandt & Co., Manufacturers.

E. M. ROOT, of Root & Sanderson, Merchants.

A. W. JEE, Merchant.

PETER DEAN, Capitalist.

C. J. DEERING, of Deering & Co., Merchants.

JOHN C. COLEMAN, of J. C. & E. Coleman, Capitalist.

CHARLES MAIN, of Main & Winchester, Merchants.

D. H. HASKELL.

W. L. ELLIOTT.

GEORGE L. BRADLEY, Capitalist.

A. RIDER.

A. Y. TRASK, Marine Surveyor.

C. TURNER, Proprietor Bay City Soda Works.

H. B. UNDERHILL, Attorney S. P. R. Co.

L. CUNNINGHAM.

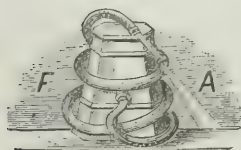
JAMES SIMPSON, M. D.

W. J. BRYAN.

JOHN H. WISE, President.

CHAS. A. LATON, Secretary.

A. R. GUNNISON, General Agent and Adjuster.



Incorporated 1820.

# FIRE ASSOCIATION OF PHILADELPHIA.

Organized 1817.

CAPITAL STOCK, Fully Paid,	- - - - -	\$500,000 00
TOTAL ASSETS,	- - - - -	\$4,250,564 07
LOSSES PAID Since organization of Association during 67 years,	- - - - -	\$10,210,904 00

CHAS. A. LATON, GENERAL AGENT,

439 CALIFORNIA STREET,

Safe Deposit Building,

SAN FRANCISCO, CAL.

## FORTY-FIRST ANNUAL REPORT

—OF—

## THE NEW YORK LIFE INSURANCE COMPANY,

OFFICE, Nos. 346 &amp; 348 BROADWAY, N. Y.

JANUARY 1, 1886.

Amount of Net Cash Assets, January 1, 1885.....\$57,835,998 45

## REVENUE ACCOUNT.

Premiums.....	\$13,517,426 03	
Less deferred premiums Jan. 1, 1885.....	795,323 00	\$12,722,103 03
Interest and rents (including realized gains on securities and real estate sold).....	3,859,577 47	
Less interest accrued Jan. 1, 1885.....	460,507 76	3,399,069 71
		\$16,121,172 74
<b>Total.....</b>		<b>\$73,957,171 19</b>

## DISBURSEMENT ACCOUNT.

Losses by death, including reversionary addition to same.....	\$2,999,109 64	
Endowments matured and discounted, including reversionary additions to same..	741,764 47	
Annuities, dividends and purchased policies.....	3,940,999 64	
Total paid Policy-holders.....	\$7,681,873 75	
Taxes and re-insurances.....	250,142 32	
Commissions, brokerages, agency expenses and physicians' fees.....	2,024,090 50	
Office and law expenses, salaries, advertising, printing, &c.....	488,446 62	\$10,444,553 19
<b>Total.....</b>		<b>\$63,512,618 00</b>

## ASSETS.

Cash in bank, on hand and in transit (since received).....	\$2,042,542 60	
United States and other bonds and stocks (market value \$36,991,923 88).....	33,640,220 56	
Real estate.....	6,855,532 63	
Bonds and mortgages, first lien on real estate (buildings thereon insured for \$16,500,000 and the policies assigned to the company as additional collateral security).....	18,159,500 00	
Temporary loans (market value, of securities held as collateral, \$594,480 00).....	451,500 00	
*Loans on existing policies (the reserve held by the company on these policies amounts to over \$2,000,000).....	416,034 15	
*Quarterly and semi-annual premiums on existing policies, due subsequent to January 1, 1886.....	878,161 65	
*Premiums on existing policies in course of transmission and collection. (The Reserve on these policies, included in Liabilities, is estimated at \$955,000.....	575,999 50	
Agents' balances.....	58,142 73	
Accrued interest on investments to Jan. 1, 1886.....	435,284 18	\$63,512,618 00
Market value of securities over cost on company's books.....		3,351,703 32
*A detailed schedule of these items accompany the usual annual report filed with the Insurance Department of the State of New York.		

CASH ASSETS, January 1, 1886.....\$66,864,321 32

## APPROPRIATED AS FOLLOWS:

Adjusted losses, due subsequent to Jan. 1, 1886.....	\$144,424 00	
Reported losses, awaiting proof, &c.....	248,423 12	
Matured endowments, due and unpaid (claims not presented).....	41,854 06	
Annuities due and unpaid (uncalled for).....	10,595 21	
Reserved for re-insurance on existing policies; participating insurance at 4 per cent. Carlisle net premium; non-participating at 5 per ct. Carlisle net premium. 56,200,875 00		
Reserved for contingent liabilities to Tontine Dividend Fund, January 1, 1885, over and above a 4 per cent. reserve on existing policies of that class.....	\$2,633,796 70	
Addition to the Fund during 1885.....	952,683 31	
	\$3,586,480 01	

## DEDUCT—

Returned to Tontine policy-holders during the year on Matured Tontines.....	462,737 24	
Balance of Tontine Fund, January 1, 1886.....	3,123,742 77	
Reserved for premiums paid in advance.....	29,924 03	
		\$59,799,848 19
Divisible surplus (company's standard).....	7,064,473 13	
Surplus by the New York State Standard at 4½ per cent.....	\$18,225,053 94	

From the undivided surplus of \$7,064,473 13 the Board of Trustees has declared a Reversionary dividend to participating policies in proportion to their contribution to surplus, available on settlement of next annual premium.

During the year 18,566 policies have been issued, insuring \$68,521,452.

WM. H. BEERS, President.

HENRY TUCK, Vice-President.

ALEX. G. HAWES,

Manager for the Pacific Coast,

220 SANSOME STREET,

SAN FRANCISCO.

Fire & Marine Insurance Agency  
OF

**GUTTE & FRANK,**

307 California Street,

San Francisco, Cal

---

**MAGDEBURG FIRE INS: CO:**

Of Magdeburg.

**HAMBURG MAGDEBURG**

Fire Insurance Company, of Hamburg.

**GERMANIA FIRE INS. CO.**

Of New York.

**MAGDEBURG GENERAL**

Insurance Co. (Marine Department) of Magdeburg.

**THE NATIONAL MARINE**

Insurance Association (Limited), of London.

**MERCHANTS' MUTUAL MARINE**

Insurance Company of Baltimore.

---

**JAMES LAIDLAW & CO., OF PORTLAND,**

**General Agents of the HAMBURG MAGDEBURG and GERMANIA  
for Oregon and Washington Territory.**



# THE PACIFIC MUTUAL LIFE

## Insurance Company,

### OF CALIFORNIA.

## LIFE AND ACCIDENT INSURANCE.

ORGANIZED 1867.

#### OFFICERS:

GEO. A. MOORE.....	President
GEO. W. BEAVER.....	Vice-President
W. R. CLUNESS, M. D.....	Medical Director
J. N. PATTON.....	Secretary
SAMUEL MARKS.....	Assistant Secretary
W. O. GOULD.....	Actuary
THOMAS BENNET.....	General Superintendent

#### DIRECTORS:

ROBERT SHERWOOD, Capitalist.	W. R. CLUNESS, Physician.
GEO. W. BEAVER, Capitalist.	GEO. A. MOORE, President of the Company.
L. S. ADAMS, Adams, McNeil & Co., Wholesale Grocers.	J. F. HOUGHTON, Pres. Home Mutual Fire Ins. Co.
COLUMBUS WATERHOUSE, Waterhouse & Lester, Importers and Jobbers Carriage and Wagon materials.	HUGH M. LARUE, Pres. State Agricultural Society.
W. T. GARRATT, Brass and Bell Foundry and Machine Works.	D. W. EARL, D. W. Earl & Co. Forwarding and Commission Merchants.
SAMUEL LAVENSON, Locke & Lavenson, Carpet Dealers.	CHAS. N. FOX, Attorney-at-Law.
	L. P. DREXLER, Capitalist.
	JAMES CAROLAN, Carolan, Cory & Co., Hardware
	HENRY T. SCOTT, Union Iron Works.

**\$3,195,000 paid to Policy-holders and their Representatives.**

**The only Life Insurance Company transacting business in the United States whose Stockholders are by law made liable for the debts of the Corporation, and whose Directors are made responsible for the acts of officers.**

### A SOUND AND PROGRESSIVE INSTITUTION.

The Annual Statement of the Company January 1st, 1886, shows the following, viz.:

**An Increase in Policy-holders.**

**An Increase in Amount of Insurance.**

**An Increase in Net Assets.**

**An Increase in Net Surplus.**

**A Decrease in Expenses of Management.**

The Policies of the Company impose NO RESTRICTION UPON RESIDENCE OR TRAVEL, are exempt from execution and the claims of creditors, and are indisputable after three years.

**Capable and Reliable Agents Wanted. Apply Directly to**

**PRINCIPAL OFFICE:**

**No. 418 California Street, San Francisco.**

# UNION MUTUAL LIFE INSURANCE CO.

PORTLAND, MAINE.

JOHN E. DE WITT, President.

Organized 1848.

ASSETS, December 31st, 1885,	-	-	-	\$6,119,547.15
SURPLUS, New York Standard,	-	-	-	706,130.41
Total Amount Paid to Policyholders to Dec. 31, 1885 -	21,653,155.94			

Its policies, after three years, are incontestable, unrestricted in travel, residence and occupation, and protected by the MAINE NON-FORFEITURE LAW.

It pays its Death Losses upon approval of death proofs, without waiting sixty, ninety, or any other number of days, and without discount.

Whether seeking protection, or investment, or both combined, you cannot do better than to insure in the UNION MUTUAL. Its strength is beyond question; it is conservatively and efficiently managed; is doing a largely increasing business, and is in all respects worthy of public patronage.

HENRY D. SMITH.....Secretary.  
ARTHUR L. BATES.....Ass't Secretary.

Hon. JOSIAH H. DRUMMOND,.....Counsel.  
THOS. A. FOSTER, M. D., Medical Director.

ACTIVE AGENTS WANTED.

## WESTERN DEPARTMENT,

W. F. MASON, Supt. Western Dept., Denver, Col.

**JABEZ HOWES, Manager,**  
SAN FRANCISCO, CAL.

**A. W. YOUNG, Manager,**  
DENVER, COL.

**W. S. FOWLER, Manager,**  
LOS ANGELES, CAL.

**JOHN S. M'MILLEN, Agent,**  
TACOMA, PUGET SOUND.

**CHARLES L. BENNETT, Manager,**  
PORTLAND, OREGON.

**A. McPHERSON, Manager,**  
BRITISH COLUMBIA.

**CHARLES F. COOK, Manager,**  
BUTTE CITY, MONTANA.

**J. H. GRUBBS, Agent,**  
THE DALLES, OREGON.

# TRANSATLANTIC

—FIRE—



OF HAMBURG, GERMANY.

---

Capital.....	\$1,500,000 00
Subscribed Capital (secured by endorsed notes).....	1,200,000 00
Paid up Capital.....	300,000 00
Assets January 1st, 1886.....	1,192,662 21
Invested in the United States.....	484,355 36
Surplus.....	214,210 18

---

Annual Premium Income over One Million Dollars.

---

Losses Equitably Adjusted, and promptly paid in U. S. Gold Coin

---

*GEO. MARCUS & CO.,*

General Agents for the Pacific Coast,

232 CALIFORNIA ST

SAN FRANCISCO, CALIFORNIA



## PACIFIC DEPARTMENT

## SCOTTISH UNION &amp; NATIONAL

Insurance Company of Great Britain.

Organized 1824.

CAPITAL SUBSCRIBED,	-	-	-	-	\$21,757,000 00
CAPITAL PAID UP IN CASH,	-	-	-	-	1,412,855 00
CASH ASSETS,	-	-	-	-	16,407,072 46

With its subscribed capital, subject to call, amounting to \$21,757,000, which, under the stringent laws of Great Britain governing unpaid capital, is available to the last dollar for its fire losses, it stands at the head of all the companies in the world doing business in America.

It is one of the Oldest Companies in the World.

ASSETS IN THE UNITED STATES ..... \$1,153,219 00

United States Branch Office, 64 Pearl Street, Hartford, Conn.

M. BENNETT, Jr., Manager. JAS. H. BREWSTER, Asst. Manager.

## NATIONAL FIRE INSURANCE Co.

Of Hartford, Conn.

CAPITAL STOCK, ALL CASH.....	\$1,000,000 00
FUNDS RESERVED TO MEET ALL LIABILITIES	<div> <div>Unpaid Fire Losses, \$60,726.85</div> <div>Re-ins. Fund, legal st'd, 319,377.27</div> <div>380,104 12</div> </div>
Net Surplus over Capital and all Liabilities,.....	473,623 85
Total Assets, January 1st, 1886, .....	\$1,853,727 97

## Oregon Fire and Marine Ins. Co.

OF PORTLAND.

CAPITAL STOCK PAID UP,	-	-	-	\$220,100 00
CASH ASSETS,	-	-	-	312,773 43

HAGAN, MANHEIM &amp; CO., - - General Agents.

JAMES W. STAPLES, Manager.

217 Sansome Street, San Francisco, Cal.

# A M A Z O N

Insurance Company of Cincinnati.

GAZZAM GANO, President.

J. H. BEATTIE, Secretary.

Cash Capital, paid up .....	\$300,000 00
Assets, January 1st, 1886.....	555,796 00
Stockholders individually liable under Constitution of Ohio.....	300,000 00
Making Assets equal to.....	\$855,796 00

# A M E R I C A N C E N T R A L

Insurance Company of St. Louis.

Assets, January 1, 1886.....	\$1,172,793 00
Net Surplus over Capital and all Liabilities.....	185,618 00
Chicago's Great Fire, Loss Paid over.....	300,000 00
Total Losses Paid, over.....	4,900,000 00

# P A C I F I C

Fire Insurance Company of New York

Cash Capital, paid up.....	\$200,000 00
Assets, January 1, 1886.....	751,521 00

# N O R T H W E S T E R N N A T I O N A L

Insurance Company of Milwaukee.

Capital paid up.....	\$600,000 00
Assets, Jan. 1, 1886.....	1,263,753 00

## SMITH & MOODY,

*General Agents,*

317 CALIFORNIA ST., SAN FRANCISCO.

*Telephone No. 195.*

CITY AGENTS OF SUN FIRE OFFICE OF LONDON.

**General Insurance Agency**  
—OF—  
**JACOBS & EASTON,**  
423 California St. San Francisco.

**FIRE INSURANCE ASSOCIATION,**  
**OF LONDON.**

Capital Fully Subscribed.....\$4,500,000 00

**G L E N S F A L L S**

**INSURANCE COMPANY OF NEW YORK.**

Assets .....\$1,492,284 00 | Surplus to Policy-holders .....\$941,575 00

**U N I O N**

**INSURANCE COMPANY OF PHILADELPHIA.**

Assets.....\$784,056 00 | Surplus to Policy-holders .....\$384,302 00

**S P R I N G F I E L D**

**F. & M. INSURANCE CO. OF SPRINGFIELD, MASS.**

Assets .....\$2,803,437 00 | Surplus to Policy-holders.....\$1,410,542 00

**G E R M A N**

**INSURANCE CO. OF FREEPORT, ILLINOIS.**

Assets .....\$1,650,799 00 | Surplus to Policy-holders .....\$423,998 00

**G E R M A N**

**INSURANCE COMPANY, OF PITTSBURG, PA.**

Assets .....\$448,914 00 | Surplus to Policy-holders .....\$262,901 00

**M E R C H A N T S**

**INSURANCE COMPANY OF NEW JERSEY.**

Assets .....\$1,225,985 00 | Surplus to Policy-holders.....\$757,700 00

**M E R C H A N T S**

**INSURANCE COMPANY OF NEW YORK.**

Assets .....\$449,791 00 | Surplus to Policy-holders .....\$307,673 00

**C O N C O R D I A**

**INSURANCE COMPANY OF MILWAUKEE.**

Assets.....\$475,838 00 | Surplus to Policy-holders .....\$283,393 00

**C L I N T O N**

**FIRE INSURANCE COMPANY OF NEW YORK.**

Assets.....\$460,019 00 | Surplus to Policy-holders.....\$526,444 00

**C I T Y D E P A R T M E N T**

North British and Mercantile Insurance Company.  
German-American Insurance Company.



# SUN

INSURANCE COMPANY — FIRE AND MARINE.

Head Office, 428 California Street,  
SAN FRANCISCO, CAL.

CAPITAL, paid up,	- - - - -	\$300,000
SURPLUS as to Policyholders,	- - - - -	459,345

C. L. TAYLOR.....	President.
J. N. KNOWLES.....	Vice-President.
ED. E. POTTER.....	Secretary and Treasurer.

## DIRECTORS.

I. STEINHART.....Manager Anglo-Californian Bank	E. B. POND.....Capitalist
R. D. CHANDLER.....Merchant	ALFRED BARSTOW.....Rhodes & Barstow
GEO. H. COLLINS.....Lumber Merchant	C. L. DINGLEY.....Shipping Merchant
J. B. STETSON.....Holbrook, Merrill & Stetson	C. L. TAYLOR.....Shipping and Commission Merchant
J. J. McKINNON.....Shipping Merchant	J. N. KNOWLES " " " "
FRANCIS BLAKE.....Blake, Robbins & Co.	

Pacific Coast Department,

Boston Underwriters

OF BOSTON, MASS.

Surplus as to Policyholders, \$1,016,750

Williamsburg City Fire Ins. Co.

OF NEW YORK.

Surplus as to Policyholders, \$1,128,236

The Franklin Fire Ins. Co.

OF PHILADELPHIA.

Surplus as to Policyholders, \$2,993,286

ED. E. POTTER, Pacific Coast Manager,  
428 California Street.

# THE OAKLAND HOME

Insurance

Company.

CAPITAL,

\$200,000.00.

ASSETS,

\$322,093.00.



Company's Building, Oakland, California.

## DIRECTORS.

WM. P. JONES.....Capitalist.  
C. O. BRIGHAM ..Brigham, Hoppe & Co. San Francisco.  
CHAS. L. WATSON, W. & J. Sloane & Co. " "  
F. K. SHATTUCK.....Capitalist.  
JOHN CRELLIN.....Morgan & Co., San Francisco.  
J. S. EMERY.President California and Nevada R. R. Co.

V. D. MOODY.....President First National Gold Bank  
H. M. EASTMAN.....Capitalist  
F. DELGER.....Capitalist.  
GEO. E. WHITNEY.....Attorney.  
JOHN EVERDING.....J. Everding & Co.

## OFFICERS.

WM. P. JONES, President.

J. S. EMERY, Vice-President.

WM. F. BLOOD, Secretary.

## HEAD OFFICE:

Company's Building, N. W. cor. Washington and Ninth Streets, Oakland.

SAN FRANCISCO DEPARTMENT, 421 California Street,

CONRAD & MAXWELL, Managers.

H. W. WRIGHT, Manager,	- - - - -	SAN JOSE BRANCH.
A. LEONARD & SON, Managers,	- - - - -	SACRAMENTO BRANCH.
DOHRMANN & LANE, Managers,	- - - - -	STOCKTON BRANCH.
R. M. THOMSON, Manager,	- - - - -	LOS ANGELES BRANCH.

## PACIFIC COAST DEPARTMENT

TRADERS INSURANCE COMPANY OF CHICAGO ILL.

# California's Million Dollar Company.

FIRE.  MARINE.

## FIREMAN'S FUND

INSURANCE COMPANY

OF CALIFORNIA.

CAPITAL .....	\$1,000,000 00
ASSETS.....	2,000,000 00
LOSSES PAID IN 23 YEARS. ....	6,500,000 00

HOME OFFICE—Company's Building:

*S. W. Corner California and Sansome Streets,*

**SAN FRANCISCO, CAL.**

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**D. J. STAPLES, President.**

**WILLIAM J. DUTTON, Secretary.**

**ALPHEUS BULL, Vice-President.**

**E. W. CARPENTER, Asst. Secretary.**

**N. T. JAMES Marine Secretary.**

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**CENTRAL DEPARTMENT,**  
**THOS. S. CHARD, Manager,**  
157-159 La Salle St., CHICAGO, ILL.

**EASTERN DEPARTMENT,**  
**CHAS. W. KELLOGG, Manager**  
Mason Building, Boston Mass

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**CITY AGENCY (FIRE DEPARTMENT).**

**THANHAUSER & CO., AGENTS,**

**No. 311 California St., San Francisco, Cal.**







